

Tlou Energy Limited

ABN 79 136 739 967

Annual Report for the year ended 30 June 2026

Corporate Directory

ABN	79 136 739 967
Directors	Ian Campbell Gabaake Gabaake Martin O. Gabobake
Company Secretary	Wedu Mbayi
Administration & Registered Office	210 Alice Street Brisbane QLD 4000 Australia
Telephone:	+267 316 0857
Solicitors	HWL Ebsworth Level 19 480 Queen Street Brisbane QLD 4000
Auditors	BDO Audit Pty Ltd Level 18 360 Queen Street Brisbane QLD 4000
Bankers	Westpac Banking Corporation GPO Box 3433 Sydney NSW 2001
Share register	MUFG Corporate Markets (AU) Limited 10 Eagle Street Brisbane Queensland 4000

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Chairman's letter

Dear Shareholders,

The 2026 financial year was an important, but also challenging, period for Tlou Energy. We achieved a milestone that has been central to the Company's strategy for many years: the first monetisation of gas from the Lesedi project. The commissioning of the initial Kala Data Centre facility demonstrated, at proof-of-concept scale, the full chain from coal bed methane production and gathering through to on-site power generation and commercial use. This is meaningful progress and provides a practical foundation on which to build.

The initial data centre equipment arrived at Lesedi in September 2025, followed by the installation of two gas-fired generators in December. Commissioning was completed in March 2026 and the facility operated continuously throughout the June quarter. Although revenue for the year was modest at \$13,974, it represents Tlou's first income from the sale of gas-derived energy at Lesedi and confirms that the integrated system can operate as intended.

The principal constraint remains the rate of gas production. Dewatering continued at the Lesedi 4 and Lesedi 6 production pods, but gas flows developed more slowly than anticipated and were not sufficient to utilise the data centre's potential capacity of approximately 1 MW. During the year the Company engaged independent technical specialists to review performance and assess the available options. These include further work on existing wells, alternative well designs, accessing additional coal seams, stimulation techniques and further drilling. Establishing reliable gas flow at a commercial level remains the key technical priority, and the Board will ensure that future expenditure is staged against the best available technical evidence and the Company's funding position.

Progress also continued on the broader Lesedi infrastructure. The 66 kV transmission line is available for use and the Lesedi substation was approximately 90% complete at year end. Completion of the remaining work has been deferred pending funding. In parallel, the Company has continued to assess solar generation, battery storage and compressed natural gas as complementary opportunities. These initiatives could improve the utilisation and resilience of the Lesedi infrastructure, but they remain subject to funding, technical evaluation, regulatory approvals and acceptable commercial arrangements.

The financial result reflects both the early stage of operations and a significant non-cash adjustment to the carrying value of the Lesedi assets. The Group reported a loss after tax of \$59.6 million, which included an impairment charge of \$55.9 million. Excluding that impairment, the loss was approximately \$3.7 million. The impairment does not alter the physical assets or the progress achieved during the year, but it does reflect the accounting consequences of slower project development, limited current gas production and the funding still required to advance Lesedi.

The Company ended the year with cash of \$0.13 million and remained reliant on shareholder funding. During the year, ILC BC Pty Ltd increased its loan facility to A\$10 million and provided a further \$370,000 after year end. The financial statements include a material uncertainty related to going concern, reflecting the Group's limited cash resources, current liabilities and need for further funding.

On 2 September 2026, the Botswana Public Officers Pension Fund (BPOPF) advised the Company that its Board of Trustees had given conditional approval in principle to convert BPOPF's outstanding claim into ordinary shares at A\$0.01 per share. That approval is subject to a number of conditions, including the Company securing committed new capital, simultaneous and equivalent treatment of the claims of ILC Investments Pty Ltd and ILC BC Pty Ltd (together, ILC Group), agreement of the balances and conversion perimeter, required approvals and execution of definitive documents. No binding conversion agreement has been completed, BPOPF has not committed new capital, and its existing rights, including in relation to the default under its note, remain reserved.

On 30 September 2026, ILC Group provided the Company with a letter under which each ILC party agreed, for 12 months from that date, not to demand or accept cash repayment of, accelerate, enforce or take recovery action in respect of amounts owed to it under the Company's existing financing arrangements. The letter also confirms ILC Group's intention to convert all principal, accrued interest, fees and other amounts outstanding to it at an agreed cut-off date, at the same price and time as the proposed BPOPF conversion, currently contemplated to be A\$0.01 per share. The ILC conversion remains subject to BPOPF completing its conversion concurrently, agreement of balances and exchange rates, all required approvals and execution of definitive documents.

Until any conversion occurs, the undrawn commitment under the A\$10 million ILC BC facility remains available in accordance with its existing terms and ILC BC has agreed to continue to honour valid drawdown requests. If the proposed conversions are completed, the undrawn commitment will be cancelled unless separately documented as genuine new funding. These arrangements provide important near-term support, but the proposed conversions have not been completed and do not themselves provide new cash. The Company therefore continues to pursue additional capital and other funding options while managing expenditure carefully.

Our priorities for the coming year are clear: improve and stabilise gas production; increase the utilisation of the data centre; complete the remaining substation work when funding permits; advance complementary energy opportunities where they are technically and commercially justified; and strengthen the Company's capital structure. These objectives will require disciplined allocation of capital and continued support from our shareholders and other stakeholders.

On behalf of the Board, I thank our employees, contractors, advisers, the Government of Botswana and the communities around Lesedi for their continued commitment and support. I also thank shareholders for their patience during a demanding period. The achievement of first commercial revenue is an important step, but much remains to be done. The Board is focused on converting the infrastructure and resources already established at Lesedi into a sustainable business and on doing so with realism, discipline and transparency.

Yours sincerely,



Dr. Ian Campbell

Executive Chairman

Directors' report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'Group') consisting of Tlou Energy Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at 30 June 2026.

General Information

Directors

The following persons were directors of Tlou Energy Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ian Campbell	Executive Chairman
Gabaake Gabaake	Executive Director
Martin O. Gabobake	Non-Executive Director – Appointed 21 July 2025
Colm Cloonan	Finance Director and Interim Managing Director – Resigned 29 June 2026
Allan Sullivan	Non-Executive Director – Resigned 1 January 2026

Dividends

There were no dividends recommended or paid during the financial year.

Principal activities

The principal activity of the consolidated entity is to explore and evaluate power solutions in Sub-Saharan Africa through Coalbed Methane (CBM) gas-fired power. Only minor revenue from a proof-of-concept project has been earned to date, as the consolidated entity is still in the exploration and evaluation or pre-development stage.

Significant changes in the state of affairs

There were no other significant changes to the state of affairs of the consolidated entity other than those disclosed in the financial report and notes thereof.

Review and results of operations

During the year ended 30 June 2026, the consolidated entity continued the staged development of the Lesedi Project in Botswana. Activities were focused on commissioning the initial Kala Data Centre project, producing coalbed methane gas from the Lesedi production wells, progressing the remaining electrical infrastructure required for connection to the national grid and evaluating opportunities to incorporate solar generation and energy storage into the Lesedi development.

The principal operational milestone during the year was the commissioning of the initial Kala Data Centre facility and the commencement of computational operations using electricity generated from gas produced at Lesedi. This represented the first monetisation of the Company's Lesedi gas and the transition of the project from pre-revenue development to initial revenue generation at a proof-of-concept scale.

Operations remained at an early stage at 30 June 2026. Revenue generated during the year was modest and further development is required before the project can operate at a material commercial scale. In particular, increasing sustainable gas production, expanding power generation capacity, completing the Lesedi substation and securing additional funding remain important requirements for the Company's development plans.

Lesedi Project

The Lesedi Project is the Company's principal development asset and is located in Botswana's Central District. The project includes coalbed methane production wells, gas gathering and power generation infrastructure, a modular data centre, a 66kV transmission line connecting the project area to the national electricity network and a substantially completed electrical substation.

The Company's development strategy is to use its gas resources and existing electrical infrastructure to support a combination of gas-fired power generation, data centre operations and, subject to funding, approvals and commercial agreements, solar generation and energy storage.

Kala Data Centre and initial power generation

During the September 2025 quarter, the first modular data centre unit, immersion cooling tanks and associated equipment arrived at Lesedi. Supporting civil works were completed, including concrete foundations and sections of the gas gathering line required to supply the power generation equipment.

Two 250kV gas-fired generators subsequently arrived during the December 2025 quarter. The generators were installed adjacent to the data centre, the remaining gas and electrical connections were completed and gas from the Lesedi 4 production well was introduced to the generation system.

The data centre was commissioned during the March 2026 quarter and commenced computational operations using electricity generated from Lesedi gas. The facility completed its first full quarter of continuous operation during the June 2026 quarter and generated initial income at a proof-of-concept scale.

The commissioning demonstrated the operation of the integrated process comprising gas production, gas gathering, on-site power generation and supply of electricity to the data centre. It also provided the Company with operational data that can be used to identify improvements in gas supply, generation reliability and data centre capacity utilisation.

The installed data centre has been designed for power capacity of up to approximately 1MW. Operations during the year were materially below that capacity because of the limited gas presently available from the connected production well and the early-stage nature of the facility. Work during the latter part of the year focused on monitoring and optimising the performance of the gas gathering system, generators and associated electrical equipment.

The Company commenced planning for a dedicated gas pipeline to connect the Lesedi 6 production well to the data centre generation system. If constructed and successfully commissioned, the pipeline may provide additional gas to the facility. The timing and outcome of this work are subject to funding, detailed design, required approvals, construction and the performance of the Lesedi 6 well.

Kala Data owns and operates the data centre equipment, while Tlou supplies gas for on-site power generation in accordance with the parties' agreement. The initial project is intended to provide operating experience and a basis from which the parties can assess potential future expansion. Any expansion will depend on a number of factors, including sustainable gas availability, technical performance, funding and commercial requirements.

Gas production and field development

Production testing and dewatering continued at the Lesedi 4 and Lesedi 6 wells throughout the year. Both wells have produced gas, with operational activities focused on reducing water levels in the coal seam and improving gas flow.

Dewatering has taken longer than originally anticipated. The Lesedi wells are operating in a coal basin that has not benefited from regional dewatering by other producers, as can occur in more established coalbed methane basins. The wells have also continued to dewater independently rather than demonstrating the anticipated level of pressure communication between them.

The Company engaged independent technical consultants during the year to review subsurface information, well performance and potential options for improving gas production. Development alternatives under consideration included further work on the existing production wells and coal seam, alternative well designs, accessing additional coal seams, well stimulation techniques and further drilling.

No final decision on the next major drilling or well-development program had been made at 30 June 2026. Further technical evaluation is required before the Company commits to a particular development approach.

Achieving sustainable commercial gas flow rates remains a key technical milestone for the Lesedi Project. Additional gas production will be required to increase utilisation of the data centre, support material gas-fired generation and progress the Company's broader power-development plans. There can be no assurance that additional drilling or well-development activities will achieve the gas flow rates required for the planned developments.

Substation and grid connection

The approximately 100-kilometre 66kV transmission line connecting Lesedi to the Botswana electricity network was available during the year. Construction of the associated Lesedi electrical substation remained approximately 90% complete at 30 June 2026.

During the year, the Company reviewed the remaining work and potential contractors required to complete the substation and grid tie-in. Completion was deferred pending the availability of funding. The remaining works are expected to include final construction, electrical installation, testing, commissioning and connection activities.

Once completed and commissioned, the substation is intended to enable electricity generated at Lesedi to be supplied to the national grid and to accommodate both gas-fired and solar generation. The substation is therefore an important component of the Company's plans to obtain value from its existing transmission infrastructure and diversify potential sources of power generation.

The timing of completion is dependent on the Company securing the required funding and satisfying the remaining technical, contractual and regulatory requirements.

Solar and hybrid power strategy

During the year, the Company continued to assess opportunities to add solar generation at Lesedi. The existing transmission line, the partially completed substation and the availability of land at the project provide infrastructure that may support a staged solar development.

The Company evaluated an initial solar project of approximately 5MW, with the potential for expansion if the initial stage is successfully funded and developed. The Company also held preliminary discussions with prospective funding and project partners and continued discussions regarding potential arrangements for the sale of solar-generated electricity.

Kala indicated an interest in installing approximately 1MW of solar photovoltaic capacity to supplement the gas-generated power supplied to the data centre. The proposed solar installation is intended to support the facility during daylight hours and reduce its reliance on the gas presently available from the production wells.

Battery Energy Storage Systems and compressed natural gas storage were also evaluated as potential components of a future hybrid energy system. A combination of solar generation, storage and gas-fired generation may, subject to successful technical and commercial development, provide more consistent power than a standalone intermittent generation source.

At 30 June 2026, no binding agreement had been entered into for the funding, construction or sale of electricity from a material solar project. The scale, configuration and timing of any development remain subject to feasibility work, funding, commercial agreements, regulatory approvals and final investment decisions.

Petroleum reserves and contingent resources

There was no change to the Company's reported gas reserves or contingent resources during the year. The Company conducted its annual internal review and concluded that no new information or data was available that would materially increase or decrease the estimates previously reported.

The Company intends to obtain a further independent review of its gas reserves and contingent resources when sufficient additional operational and subsurface data are available. The existing estimates and the basis on which they have been reported are set out in the 2026 Annual Reserves Statement included in this Annual Report.

Funding and liquidity

The Company continued to rely on shareholder funding to support its operations and development activities. During the year, the facility provided by ILC BC Pty Ltd, a related party of the Company's largest shareholder, was increased to A\$10,000,000.

At 30 June 2026, A\$6.51 million had been drawn under the facility, leaving approximately A\$3.494 million undrawn. Together with cash of approximately A\$0.130 million, total available funding at year end was approximately A\$3.624 million.

The shareholder facility provided working capital and bridging finance while the Company continued discussions with potential debt, equity and strategic funding parties. Additional funding will be required to complete the substation, undertake further gas-field development, increase data centre capacity utilisation and progress any material solar or hybrid power development.

The availability of the undrawn facility is important to the Company's near-term operations. However, the facility alone is not expected to fund the full development of the Company's proposed projects. The timing and scale of future development activities will therefore continue to be influenced by the availability and terms of additional funding.

Financial performance

The consolidated entity recorded a loss after income tax of \$59.961 million for the year ended 30 June 2026, compared with a loss of \$4.780 million in the prior year. The 2026 result included a non-cash impairment charge of \$56.292 million against exploration and evaluation assets. Excluding this impairment charge, the loss for the year was approximately \$3.668 million. The impairment related primarily to the Lesedi and Mamba project areas and was charged following a strategic reassessment the Company's broader exploration portfolio and a decision to focus capital allocation and development activities on the Lesedi core assets.

The impairment primarily relates to exploration areas outside the Lesedi core focus are in the L4 and L6 region.

Initial income of \$13,974 was recognised following the commencement of the proof-of-concept data centre operations. As the data centre was commissioned late in the financial year and operated at a modest scale, this income did not have a material effect on the consolidated entity's result.

Employee-benefit expenses decreased to \$0.735 million from \$0.958 million in the prior year following a reduction in senior staff during the year. Professional fees decreased to \$0.303 million from \$0.413 million, while other expenses decreased to \$0.634 million from \$0.916 million. Reductions in expenditure were part of the continued effort to reduce costs where possible without affecting performance. Interest expense was \$2.226 million, broadly consistent with \$2.258 million in the prior year, and principally related to the Company's convertible instruments and shareholder loans.

Net cash used in operating activities was \$2.325 million, compared with \$1.131 million in the prior year. Net cash used in investing activities was \$2.276 million, compared with \$4.211 million in the prior year, and principally related to expenditure on exploration, evaluation and project assets. Financing activities provided net cash of \$4.53 million, primarily from additional shareholder borrowings.

Financial position

At 30 June 2026, the consolidated entity had total assets of \$22.973 million, compared with \$81.883 million at 30 June 2025. The reduction principally reflected the \$56.961 million impairment of exploration and evaluation assets, partly offset by expenditure incurred during the year.

Total liabilities increased to \$26.045 million from \$20.512 million. The main driver of this was the loan amounts drawn down during the year and interest charges that have been accrued on the short-term loan and convertible facilities.

Cash and cash equivalents at 30 June 2026 were \$0.130 million, compared with \$0.211 million at 30 June 2025.

Performance during the year reflected the reduced operations on site and the focus on determining the forward strategy particularly with regard to gas production methods, drilling plans and dewatering options for the coal seams being considered.

The financial position, limited cash balance, level of current liabilities and need for further development funding give rise to a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Further information concerning the going-concern assessment, available funding and the Directors' conclusion is included in Note 1 to the financial statements.

Matters subsequent to the end of the financial year

Following year end, ILC BC Pty Ltd, a related party of Executive Chairman Ian Campbell, provided a further \$370,000 under the loan facility in place with the Company.

On 2 September 2026, BPOPF notified the Company that its Board of Trustees had given conditional approval in principle to convert BPOPF's outstanding claim into fully paid ordinary shares at A\$0.01 per share. The approval in principle is subject to conditions including the Company securing committed new capital, simultaneous and equivalent treatment of the claims of ILC Group, agreement of the balances and amounts to be converted, appropriate governance and economic protections, all required approvals, an acceptable post-transaction capital structure and execution of definitive documents. BPOPF did not commit to provide new capital. Its letter does not constitute a binding conversion agreement, waive the existing default under its note or restrict the exercise of its existing rights. The approval in principle will lapse if the transaction has not been completed by 27 August 2027, unless BPOPF agrees otherwise in writing.

On 30 September 2026, ILC Group provided the Company with a letter under which each ILC party agreed to a 12-month standstill. During that period, each ILC party has undertaken not to demand or accept cash repayment of, accelerate, enforce or take recovery action in respect of any principal, interest, fee or other amount owed to it under the Company's existing financing arrangements. Interest may continue to accrue or capitalise in accordance with the existing terms. The letter also confirms ILC Group's intention to convert all such amounts outstanding at an agreed cut-off date into fully paid ordinary shares at the same price and time as the proposed BPOPF conversion, currently contemplated to be A\$0.01 per share.

The proposed ILC conversion is subject to BPOPF completing its conversion concurrently, agreement of the balances and applicable exchange rates, all legally required approvals and execution of definitive implementation and conversion documents. Until conversion, the letter does not cancel, reduce or adversely vary the undrawn commitment under the existing A\$10 million ILC BC facility, and ILC BC has agreed to continue to honour valid drawdown requests in accordance with that facility. On conversion, the undrawn commitment will be cancelled unless it is separately documented as genuine new funding on terms agreed at that time.

No debt conversion had been completed at the date the financial statements were authorised for issue. The proposed conversions would not provide additional cash to the Group but, if completed, are expected to result in a material reduction in financial liabilities. As the balances, applicable exchange rates, required approvals and definitive documents remain outstanding, the financial effect of the proposed conversions cannot be reliably quantified at this time.

Except for the matters described above, there has not been any other matter or circumstance arising since 30 June 2026 that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

Likely developments, risks and expected results of operations

The Company has drilled production wells within the Lesedi project area and plans to drill additional wells to increase coalbed methane (CBM) production. These wells are designed to deliver the gas flow rates required for the Company's initial project development. Gas flow performance remains a critical factor in assessing the technical and commercial viability of the Lesedi project. At the date of this report, the volume of gas that can be produced and sustained at commercial levels is not yet certain, and further drilling will be required to support the planned development.

In parallel with the gas-to-power project, the Company is also evaluating complementary opportunities, including well stimulation techniques, solar power generation and the development of a data centre at Lesedi. These projects may be subject to regulatory approvals, funding, and other conditions. No assurance can be provided regarding the timing, approvals, or outcomes of these initiatives, nor the Company's ability to secure the capital necessary to progress them.

The Company's operations are exposed to a range of risks which could have a material impact on financial performance and shareholder value. While Tlou maintains a risk management policy and undertakes actions to mitigate risks where possible, it is not feasible to anticipate every potential risk. Furthermore, no risk management framework can provide absolute assurance against the occurrence of events that may adversely affect the Company's operations, assets, strategies, or financial results. A list of risks currently considered material and mitigation strategies are set out below. This is not an exhaustive list, and risks are outlined in no particular order.

Risk	Description	Mitigation
Funding	The Company will need to raise additional debt and/or equity funds to support its ongoing operations or implement its planned activities and strategies. This includes but is not limited to funding to complete the infrastructure necessary to connect to the power grid and generate electricity at the Lesedi project and funds to facilitate drilling of additional gas wells to	The Company has operated in Botswana for many years with extensive local and international relationships with investors who have supported the Company. The Company actively manages its capital requirements and maintains close relationships with potential investors. The Company's largest shareholder has committed to support the Company and has made a loan facility available.

	deliver sufficient gas for development of the proposed 10MW power project and any additional projects. There can be no assurance that such funding will be available when required or on satisfactory terms or at all. Inability to find sufficient funds may result in the delay or abandonment of certain activities which would likely have an adverse effect on the Company's progress.	The Company continues to explore sources of equity capital as well as long-term and short-term debt or mezzanine capital.
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Health and Safety	The project operations are in a remote location, in a sometimes-harsh environment and involves the use of heavy machinery and equipment.	The Company employs highly skilled and experienced personnel where possible. The Chief Operations Officer is supported by dedicated Safety, Health and Environment (SHE) personnel including a paramedic. The Company has a training and safety management system and external audits of the safety management system are conducted. All visitors to site are given a safety briefing.
Freedom to Operate	The Company operates across a number of licence areas and has had continued access to key licence areas when required. Negative sentiment towards the project or industry may impair Tlou's freedom to operate. Changes to key Government personnel and/or national policy could also impact ability to operate effectively.	The Company continues to support regular and extensive Government engagement activities to interest and educate lawmakers to the country's natural resource opportunities as well as keep up to date with changing national power strategies and requirements. Tlou supports and interacts with a wide network of local stakeholders including farmers and landowners to try and ensure that the needs of the community are being met and that the project can provide benefits for all stakeholders including providing long term and sustainable employment opportunities.
Environment	Botswana's natural habitat, water and wildlife needs to be protected. Botswana rigorously enforces its environmental regulations so the risk of fines or other liabilities for noncompliance is commensurately high.	Tlou has full environmental approval in place for development of the gas-to-power project. The Company aims to not just meet environmental requirements but exceed them. The Company uses local specialists to support its ongoing permit renewals, environmental assessments and licence applications. Continual monitoring of actual and potential impacts on the environment is practiced to try and ensure that any impact on the natural habitat is eliminated or minimised.
Climate	Climate change initiatives could have an impact on Tlou's operations in the future. Climate initiatives could have a material impact on fossil fuel projects such as Tlou's Lesedi gas-to power project.	Tlou's Lesedi gas-to-power project aims to be part of a power market in sub-Saharan Africa that will move away from carbon intensive coal and diesel fired power generation. While also a fossil fuel, gas can be a transitional fuel that could assist with providing base load power until such time that sustainable and/or renewable power sources can provide reliable 24-hour base load power. The Company is aware that it may need to adapt its process to meet future climate needs and will continue to assess new information as it becomes available.

Power Sales	The Company has signed a 10MW Power Purchase Agreement (PPA) with Botswana Power Corporation (BPC) with the aim for first power to be supplied into the national grid. There is a risk that the grid connection infrastructure, sustainable gas flows, or availability of generators could be delayed thereby postponing first power sales. No other agreements are currently in place for sale of power or gas to other parties.	The Company works closely with its contractors and engineers to progress infrastructure projects in a timely manner. Management continues to explore opportunities with other potential customers across the region, potentially via the Southern African Power Pool or within Botswana and added a data centre customer this year. Additionally, the Company aims to diversify its products including producing solar power.
Geological Risk	The Company has over 8,000 square km of licence areas part of which has not had significant CBM operations to date. There remains significant geological risk in these areas and subject to operational results these areas may not be commercial.	Tlou has invested in seismic surveys and core hole drilling to identify areas of lower risk prior to conducting further exploration and evaluation. This strategy is planned for undeveloped areas of the project. After a decade of operating in the region and supported by external resource certifications, the operations team have and continue to develop an excellent knowledge of the geological area to help de-risk future exploration and evaluation operations.
Remote Operations	The Company operates over 100km from established medical and engineering support facilities in the closest urban area which increases costs and risks as well as requiring adequate insurance.	The Company has on-site paramedic support and has invested in its own stock of equipment so that it can operate as autonomously as possible over a greater range of activities. A purpose-built field operations camp is in place which is suitable for development of the gas-to-power and data centre projects.
People	The Company may lose key executives and management. The Company operates in a competitive environment in relation to talented corporate and technical personnel.	The Company continues to search for skilled staff to grow the team to satisfy the Company's needs and ideally to have a lead person and back-up support person for all key positions. In addition, implementation of appropriate staff training and succession plans is a key target. The Company offers incentives and development opportunities for key executives and management to attract the best talent to the Company.

Environmental regulation

The Directors are satisfied that adequate systems are in place for the management of its environmental responsibilities and compliance with its various licence requirements and regulations. The Directors are not aware of any breaches of these requirements and to the best of their knowledge, all activities have been undertaken in compliance with environmental regulations.

Information on Directors

Dr Ian Campbell

Special Responsibilities

Interest in shares

PhD (Electrical Engineering)

Executive Chairman

Member of the Nomination & Remuneration Committee

357,142,856 Ordinary Shares

Experience

Dr. Ian Campbell is a highly accomplished professional with a distinguished career spanning more than five decades. He holds a PhD in Electrical Engineering from the University of New South Wales and has accumulated extensive expertise across the fields of industry, software, and electronic commerce. Throughout his career, Dr. Campbell has played a pivotal role in the development and success of numerous commercial ventures, acting both as an investor and operator in diverse markets including Australia, Asia, and the USA.

Dr. Campbell is the principal of ILC Investments Pty Ltd, which is the largest shareholder in Tlou Energy. His leadership and business acumen have been integral in shaping strategic direction and fostering growth in the companies he has been involved with. Dr. Campbell brings to Tlou Energy a wealth of knowledge in commercial operations, investment management, and technological innovation, positioning the company for continued success within Botswana's evolving energy landscape.

His broad experience and forward-thinking approach make Dr. Campbell a strategic addition to the Board and to Tlou Energy's long-term vision. During the past three years Ian has not served as a director of any other ASX listed companies.

Gabaake Gabaake

Special Responsibilities

Interest in shares

M.Sc.

Executive Director

Member of the Risk Committee

Member of the Nomination & Remuneration Committee

385,999 Ordinary Shares

Experience

Gabaake graduated with a Bachelor of Science degree in Geology from the University of Botswana in 1986 followed by a Masters degree in groundwater hydrology from the University College of London in 1989.

Gabaake is a Botswana citizen based in Gaborone. He is a former Botswana Government senior public servant having worked as Permanent Secretary at the Ministry of Minerals, Energy and Water Resources. Prior to that, he served at the Ministry of Local Government.

Gabaake has served on various private company boards including De Beers Group, Debswana Diamond Company (Pty) Limited and Diamond Trading Company Botswana. During the past three years, Gabaake has not served as a director of any other ASX listed companies.

Martin Gabobake

Special Responsibilities

Interest in shares

MBA

Non-Executive Director

Member of the Nomination & Remuneration Committee

Chair of the Audit Committee

Mr Gabobake holds no direct shareholding. He is the board representative of the Botswana Public Officers Pension Fund (BPOPF) who hold 208,521,092 Ordinary Shares.

Experience

Mr. Onalenna Martin Gabobake is the latest member of the Tlou Energy Board, joining as a Non-Executive Director nominated by the Botswana Public Officers Pension Fund (BPOPF). With over 30 years of distinguished public service experience, Mr. Gabobake brings a wealth of expertise in governance, forensic accounting, and financial management.

He holds a Bachelor of Accountancy, an MBA, and is a Certified Professional Forensic Accountant. Mr. Gabobake is currently pursuing a Doctor of Philosophy in Development Studies. His extensive career includes senior positions within the Botswana Police Service's Criminal Investigation Department, as well as leadership roles in prominent public sector organisations.

Mr. Gabobake has served on the Board of the Botswana National Productivity Centre, contributing to its key committees, and currently acts as a Trustee and Finance and Investment Committee member for BPOPF. In 2024, he was elected President of the Botswana Public Employees Union (BOPEU), further underscoring his commitment to national development.

Recognised for his outstanding representation of union members, Mr. Gabobake received the Bahiti Temane Award in 2016. His broad experience and strategic insight make him a valuable addition as Tlou Energy continues to advance its position within Botswana's dynamic energy sector. During the past three years, Gabaaake has not served as a director of any other ASX listed companies.

Colm Cloonan

(Resigned 29 June 2026)

Special Responsibilities

Interest in shares at resignation

FCCA

Finance Director & Interim Managing Director

Member of the Audit Committee

Member of the Nomination & Remuneration Committee

8,000,000 Ordinary Shares

Experience

Colm is a Fellow of the Association of Chartered Certified Accountants (FCCA) with 20 years' experience in various finance roles.

Colm joined Tlou in 2009 at the early stages of the Company's activities and has been with the Company through all phases of its operations and development to date. Colm has worked in Europe and Australia in a range of finance roles including audit and business services, as well as providing financial and management accounting services to clients in various industries including power generation in Australia.

Colm studied accountancy at the Galway-Mayo Institute of Technology in Ireland. During the past three years Colm has not served as a director of any other ASX listed companies.

Allan Sullivan

(Resigned 1 Jan 2026)

Special Responsibilities

Interest in shares at resignation

PhD (Engineering)

Non-Executive Director

Member of the Nomination & Remuneration Committee

7,014,286 Ordinary Shares

Experience

Dr. Allan Sullivan earned a Doctor of Engineering from the University of Sydney and has 50 years of experience in different fields. His work has spanned regions such as Asia, Australia, and Europe, where he contributed to engineering companies including Landis & Gyr, ABB, and Siemens, participating on subsidiary executive boards. Allan has also served as a director for several publicly listed organizations.

Throughout his extensive career, Dr. Sullivan has led major infrastructure and technology initiatives that have shaped the strategies of global engineering leaders. He is known for his hands-on leadership style and innovative approaches, which have resulted in improved operations and successful project outcomes across continents. Allan's expertise ranges from advancing electrical systems to streamlining organisational processes, often bringing together international teams to solve tough engineering challenges. In addition to serving on executive boards, he has mentored upcoming professionals and advised industry groups, leaving a lasting impact on both colleagues and the companies he has worked with. His insightful contributions continue to influence best practices within the industry today.

Martin McIver

(Resigned 21 July 2025)
Special Responsibilities

Interest in Shares

MBA

Non-Executive Director
Member of the Audit Committee
Member of the Risk Committee
Chairman of the Nomination & Remuneration Committee
1,240,673 Ordinary Shares

Experience

Martin holds an MBA (International) from the American Graduate School of International Management, a Graduate Diploma in Applied Finance and Valuations (FINSIA/Kaplan) and a Bachelor of Business (Marketing) from the Queensland University of Technology.

Martin has over 15 years' experience as General Manager for mining services companies including bulk and dangerous goods logistics, and drilling services. Martin was the Executive General Manager of the Mitchell Group, a vertically integrated coal and coal seam gas company with investments and operations across Australia, Asia and Africa. Prior to joining the Mitchell Group, Martin was a Director in Mergers and Acquisitions with PricewaterhouseCoopers.

Martin was appointed Non-Executive Director in September 2010 and at the date of resignation he was the Chief Financial Officer of Infragreen Group Limited. He is the former Chief Financial Officer of PWR Holdings Limited (ASX:PWH). He is a former Director of Infragreen Group Limited.

Hugh Swire

(Resigned 21 July 2025)
Special Responsibilities

Interest in shares at resignation

BA (Hons)

Non-Executive Director
Chair of the Risk Committee
Chair of the Audit Committee
Member of the Nomination & Remuneration Committee
14,994,492 Ordinary Shares

Experience

Hugh started his career working with Mahon China, an established investment management and advisory partnership based in Beijing. Active in China since 1985, Mahon China have over 3 decades of experience advising foreign companies with investments and corporate activities in China. Hugh has remained a Partner of the firm and now supports UK / EU companies from London looking to expand and find partners in China or increasingly support Chinese companies looking to make investments internationally.

After leaving Mahon China, Hugh spent a decade working for Investment funds and international banks in Hong Kong and Tokyo where he worked for Nomura as well as in London for JP Morgan where he was Vice President.

Since 2010, Hugh has been focused on supporting fast growing UK companies in the low carbon and technology sectors by investing growth capital in Water Powered Technologies Ltd, a leading innovator in zero energy water management systems as well as MWF Ltd, one of the largest suppliers of renewable heat in the UK, which has since been sold to Aggregated Micro Power Holdings plc. Hugh also helped found a leading technology education company Black Country Atelier Ltd, which provides specialist training courses to students globally in 3D printing (CAM) digital electronics and CAD.

Hugh still travels to China after studying Chinese at Oxford University graduating with a BA Hons. During the past three years Hugh has not served as a director of any other ASX listed companies.

Company secretary

Wedu Samantha Mbayi was appointed as Company Secretary. Wedu brings extensive expertise in investment analysis, financial modelling, deal structuring, and regulatory compliance, with a career spanning both the public and private sectors.

Wedu holds a Bachelor of Business (Economics and Finance) from the Royal Melbourne Institute of Technology and a Post Graduate Certificate in Enterprise Risk Management from Botswana Accountancy College. Wedu is also pursuing the ACCA qualification, demonstrating a commitment to continued professional development.

Before joining Tlou Energy, Wedu worked in financial services at Norsad Capital and Grant Thornton. Wedu's strong background in risk management, legal documentation, and corporate finance ensures robust support for our Board and senior management, reinforcing good governance practices throughout the company.

Meetings of directors

The number of meetings of the consolidated entity's Board of Directors and committees held during the year ended 30 June 2026, and the number of meetings attended by each Director are listed below. The Nomination & Remuneration committee comprises the full board.

	Board / Nomination & Remuneration Committee		Audit Committee		Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
M McIver	9	9	2	2	1	1
A Gilby	7	7	2	2	-	-
G Gabaake	9	9	-	-	1	1
C Cloonan	9	9	2	2	-	-
H Swire	8	9	2	2	1	1
A Sullivan	3	3	-	-	-	-
I Campbell	3	3	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Audited Remuneration Report

This report outlines the remuneration arrangements in place for the key management personnel of the consolidated entity.

Remuneration policy

Ensuring that the level of Director and Executive remuneration is sufficient and reasonable is dealt with by the full Board. The Remuneration Policy of Tlou Energy Limited has been designed to align the objectives of key management personnel with shareholder and business objectives. The Board of Tlou Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated entity, as well as create shared goals between key management personnel and shareholders.

The Board's policy for determining the nature and amount of remuneration for the executive Directors and senior executives of the consolidated entity is as follows:

- The remuneration policy is developed by the Board after seeking, if appropriate, professional advice from independent external consultants.
- Executives employed by the consolidated entity receive a base salary (which is based on factors such as length of service and experience), inclusive of superannuation, fringe benefits, options, and performance incentives where appropriate. If performance incentives are put in place these will generally only be paid once predetermined key performance indicators have been met.
- Executives engaged through professional service entities are paid fees based on an agreed market based hourly rate for the services provided and may also be entitled to options and performance-based incentives.
- Incentives paid in the form of options or performance rights are intended to align the interests of management, the Directors and Company with those of the shareholders. In this regard, executives are prohibited from limiting risk attached to those instruments by use of derivatives or other means.

The Board reviews executive remuneration arrangements annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors.

Non-Executive Director Remuneration

The Board's policy is to remunerate Non-Executive Directors for time, commitment, and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties, and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is \$500,000 per year. This was approved by shareholders at a general meeting held on 10 July 2012.

Fees for Non-Executive Directors are not linked to the performance of the consolidated entity, however, to align Directors interests with shareholder interests, where possible the Directors are encouraged to hold shares in the Company. There is no minimum holding prescribed in the Constitution.

Performance conditions linked to remuneration

The Board provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executive Directors, other senior executives, and Non-Executive Directors. The aim is to ensure that reward for performance is competitive and appropriate for the results delivered.

Remuneration and the terms and conditions of employment for executive Directors and Company executives are reviewed annually having regard to performance and relative comparative information and are approved by the Board following independent professional advice, as required. In this respect, consideration is given to normal commercial rates of remuneration for similar levels of responsibility.

Key management personnel during the financial year ended 30 June 2026

Directors

Ian Campbell	Executive Chairman*
Gabaake Gabaake	Executive Director
Martin O. Gabobake	Non-Executive Director – Appointed 21 July 2025
Colm Cloonan	Finance Director & Interim Managing Director – Resigned 29 June 2026
Allan Sullivan	Non-Executive Director – Resigned 1 Jan 2026
Martin McIver	Non-Executive Director – Resigned 21 July 2025
Hugh Swire	Non-Executive Director – Resigned 21 July 2025

*Ian Campbell was a member of the board for the full year and was appointed as Executive Chairman on 29 June 2026.

There were no other key management personnel of the consolidated entity during the financial year ended 30 June 2026.

Details of remuneration

Details of remuneration of each of the Directors and executives of the consolidated entity during the financial year are set out in the table below.

Benefits and payments for the year ended 30 June 2026

	Short-term benefits		Post Employment benefits	Long Term benefits	Total
	Salary & Fees - Paid	Salary & Fees - Accrued	Superannuation	Leave Benefits	
Directors	\$	\$	\$	\$	\$
I Campbell	-	-	-	-	-
G Gabaake	116,162	58,603	14,714	-	189,479
M Gabobake	65,874	-	-	-	65,874
C Cloonan	150,000	346,869	18,000	8,328	523,197
A Sullivan	36,000	-	-	-	36,000
Total	368,036	405,472	32,714	8,328	814,550

Former Directors, Mr. M McIver and Mr. H Swire resigned on 21 July 2025 and waived the fees due for the period from 1 July 2025 to 21 July 2025. Former Director Mr C Cloonan accrued additional fees for the role of Interim Managing Director in 2026 in addition to holding the role of Finance Director. He was appointed as interim managing director on 23 May 2025.

During the 2026 year, there were no share-based payments and no proportion of the remuneration of any key management personnel was performance based. No key management personnel received cash bonuses, performance related bonuses, termination benefits or non-cash benefits during the year.

Benefits and payments for the year ended 30 June 2025

	Short-term benefits		Post Employment benefits	Long term benefits	
	Salary & Fees - Paid	Salary & Fees - Accrued	Superannuation	Leave Benefits	Total
Directors	\$	\$	\$	\$	\$
M McIver	30,000	33,450	3,450	-	66,900
A Gilby	69,645	264,322	5,788	-	339,755
G Gabaake	123,762	58,407	15,677	-	197,846
C Cloonan	189,609	142,164	29,345	8,358	369,476
H Swire	57,891	9,009	-	-	66,900
I Campbell	-	-	-	-	-
A Sullivan	19,500	-	-	-	19,500
Total Directors	490,407	507,352	54,260	8,358	1,060,377
Executives					
S Rowland	98,678	-	11,348	-	110,026
Total Executives	98,678	-	11,348	-	110,026
Total	589,085	507,352	65,608	8,358	1,170,403

During the 2025 year, there were no share-based payments and no proportion of the remuneration of any key management personnel was performance based. No key management personnel received cash bonuses, performance related bonuses, termination benefits or non-cash benefits during the year.

Service agreements

The following outlines the remuneration and other terms of employment for current and former executives which are formalised in employment contracts for services.

Gabaake Gabaake	Executive Director
Term of Agreement:	Mr Gabaake's services are provided in a personal capacity. The agreement has no fixed term.
Base Fee:	The annual cost to the Company excluding share-based payments (if any), adjustments for industry standards and CPI is approximately \$189,479. Of this amount Mr Gabaake voluntarily agreed that \$58,603 could be withheld by the Company and paid at a later date.
Termination Benefit:	No termination benefit is payable if terminated for cause.
Termination Notice:	The Company may give the Executive Director six months' notice of its intention to terminate the Agreement. The Employee must also give six months' notice which may be waived by the Company.

Prior to his resignation, Colm Cloonan was employed under an employment agreement for the role of Finance Director at a cost to the Company of \$329,704 + superannuation. In addition, Mr Cloonan held a contract for the provision of services as Interim Managing Director at a cost of \$10,000 per month. Both of these agreements ceased upon his resignation on 29 June 2026.

There is no formal executive agreement in place with Ian Campbell. Mr Campbell has agreed to provide his services at no cost to the Company at the present time.

Key management personnel shareholdings

The number of ordinary shares in Tlou Energy Limited held by each key management person of the group during the financial year is as follows:

30 June 2026	Balance at beginning of year	Granted as remuneration during the year	Additions	Disposals	Balance at date of resignation / appointment	Balance at end of year
I Campbell	357,142,856	-	-	-	-	357,142,856
G Gabaake	385,999	-	-	-	-	385,999
M Gabobake	-	-	-	-	-	-
C Cloonan	8,000,000	-	-	-	8,000,000	-
A Sullivan	7,014,286	-	-	-	7,014,286	-
M McIver	1,240,673	-	-	-	1,240,673	-
H Swire	14,994,492	-	-	-	14,994,492	-
	388,778,306	-	-	-	31,249,451	357,528,855

Relationship between remuneration and Company performance

The factors that are considered to affect shareholder return during the last five years is summarised below:

	2026	2025	2024	2023	2022
Share price at end of financial year (\$)	0.003	0.013	0.035	0.034	0.028
Market capitalisation at end of financial year (\$M)	4	17	44	35	17
Loss for the financial year (\$)	(59,960,699)	(4,779,798)	(4,251,607)	(4,241,208)	(4,329,116)
Cash spend on exploration programs (\$)	(2,147,745)	(4,085,316)	(12,605,710)	(11,866,628)	(1,991,033)
Director & Key Management Personnel remuneration (\$)	814,550	1,170,403	1,171,314	1,144,178	930,243

The Board considers the remuneration arrangements to be commercially reasonable. However, given the Company's exploration, evaluation and pre-development stage of operations, the link between remuneration, Company performance and shareholder wealth generation is tenuous. Share prices are subject to market sentiment towards the sector and increases or decreases may occur independently of executive performance or remuneration.

The Company may issue options or performance rights to provide an incentive for key management personnel which, it is believed, is in line with industry standards and practice and is also believed to align the interests of key management personnel with those of the Company's shareholders.

No remuneration consultants were used in the 2026 financial year.

Other transactions with key management personnel and their related parties

	Consolidated	
	2026	2025
	\$	\$
<u>Loans to/from related parties during the year</u>		
Loan from ILC BC Pty Ltd, a related party of ILC Investments Pty Ltd, a significant shareholder of the Company	4,036,913	1,990,000
Interest accrued on loans with ILC Investments Pty Ltd, a significant shareholder of the Company, and ILC BC Pty Ltd a related party of ILC Investments Pty Ltd	687,671	717,274

ILC BC Pty Ltd and ILC Investments Pty Ltd are entities controlled by Ian Campbell, Chairman of Tlou Energy Limited. ILC Investments Pty Ltd is the Company's largest shareholder and has provided funding to the Company. ILC BC Pty Ltd is the current provider of vital short-term funding to the Company.

Terms and conditions:

Interest on the loans is charged at 10%. All advances made under the facilities are first priority debts owed by the Company to Tlou to ILC BC Pty Ltd and ILC Investments Pty Ltd and the Company undertakes that it will not repay any other loans at any time advanced to it by any third parties until such time as it has repaid the total under the facilities.

(End of Audited Remuneration Report)

Shares under option

There were no unissued ordinary shares of Tlou Energy Limited under option at the date of this report.

Performance rights

There were no performance rights outstanding at the date of this report.

Shares issued on the exercise of options and performance rights

There were no ordinary shares of Tlou Energy Limited issued during or since the year ended 30 June 2026 on the exercise of options or performance rights granted or up to the date of this report.

Indemnity and insurance of officers

The consolidated entity has indemnified the Directors and executives of the consolidated entity for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the consolidated entity paid a premium in respect of a contract to insure the Directors and executives of the consolidated entity against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Currency and rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 and, in accordance with that instrument, amounts in the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* can be found on page 24.

Auditor

BDO Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

The Board of Directors has considered the position and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Details of the amounts paid or payable to the auditor for non-audit services provided during the year are set out below.

	2026	2025
	\$	\$
Non-audit services		
Tax consulting and compliance services - BDO Australia	12,850	9,800

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Ian Campbell
Director
Sydney, 30 September 2026

Auditor's independence declaration



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DECLARATION OF INDEPENDENCE BY R J LIDDELL TO THE DIRECTORS OF TLOU ENERGY LIMITED

As lead auditor of Tlou Energy Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Tlou Energy Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'R J Liddell', is written over a light blue horizontal line.

R J Liddell

Director

BDO Audit Pty Ltd

Brisbane, 30 September 2026

2026 Annual Reserves Statement

There was no change to the Company's gas reserves and contingent resources during FY2026. There has been no adjustment to the net gas reserves and contingent resources of the Company since the last upgraded reserves were announced on 20 February 2018. Please refer to the ASX announcement on 20 February 2018 for full details of the consolidated entity's gas reserves and contingent resources.

An independent review of the Company's gas reserves and contingent resources is planned which may result in an upgrade or downgrade of the current gas reserves and contingent resources. The updated report has not yet been compiled as additional data will be required from further operations prior to completion of the report. Having conducted an internal review of its gas reserves and resources position during the reporting period and satisfying itself that there was no new data available that might materially increase or decrease the reserves or resources estimates reported during the reporting period, the Company hereby presents the net gas reserves and contingent resources on a combined basis as well as for each of its individual tenements as at 30 June 2026.

This information was prepared and first disclosed under the SPE-PRMS 2007. It has not been updated since to comply with the SPE-PRMS 2018 on the basis that the information has not materially changed since it was last reported.

Location	Project	Tlou Interest	Gas Reserves (BCF)					
			30/06/2026	30/06/2025	30/06/2026	30/06/2025	30/06/2026	30/06/2025
			1P*	1P	2P*	2P	3P	3P
Karoo Basin Botswana	Lesedi CBM (all coal seams) PL001/2004, ML 2017/18L	100%	0.34	0.34	25.2	25.2	252	252
Karoo Basin Botswana	Mamba CBM (Lower Morupule coal) PL238/2014 – PL241/2014	100%	0.01	0.01	15.5	15.5	175	175
Karoo Basin Botswana	PL003/2004, PL035/2000, PL037/2000	100%	-	-	-	-	-	-
Total			0.35	0.35	40.7	40.7	427	427

Location	Project	Tlou Interest	Gas Contingent Resource (BCF)					
			30/06/2026	30/06/2025	30/06/2026	30/06/2025	30/06/2026	30/06/2025
			1C	1C	2C**	2C**	3C	3C
Karoo Basin Botswana	Lesedi CBM (all coal seams) PL001/2004, ML 2017/18L	100%	4.6	4.6	214	214	3,043	3,043
Karoo Basin Botswana	Mamba CBM (Lower Morupule coal) PL238/2014 – PL241/2014	100%	-	-	-	-	-	-
Karoo Basin Botswana	PL003/2004, PL035/2000, PL037/2000	100%	-	-	-	-	-	-
Total			4.6	4.6	214	214	3,043	3,043

ASX Listing Rules Annual Report Requirements

*Listing Rule 5.39.1:

- All 1P and 2P petroleum reserves recorded in the table are undeveloped and are attributable to unconventional gas.
- 100% of all 1P and 2P petroleum reserves are located in the Karoo Basin in Botswana.

*Listing Rule 5.39.2:

- All 1P and 2P petroleum reserves reported are based on unconventional petroleum resources.

Listing Rule 5.39.3:

- The table shows the 2P and 3P petroleum reserves as at 30 June 2026 and comparative petroleum reserves certified at 30 June 2025.

Governance Arrangements and Internal Controls Listing Rule 5.39.5:

- Tlou Energy has obtained all its gas reserves and resources reported as at 30 June 2026 from external independent consultants who are qualified petroleum reserves and resource evaluators as prescribed by the ASX Listing Rules.
- Tlou Energy estimates and reports its petroleum reserves and resources in accordance with the definitions and guidelines of the Petroleum Resources Management System 2007, published by the Society of Petroleum Engineers (SPE PRMS).
- To ensure the integrity and reliability of data used in the reserves estimation process, the raw data is reviewed by senior reservoir and geological staff and consultants at Tlou Energy before being provided to the independent reserve certifiers. Tlou Energy has not and does not currently intend to conduct internal reviews of petroleum reserves preferring to appoint independent external experts prior to reporting any updated estimates of reserves or resources to ensure an independent and rigorous review of its data.
- Tlou Energy reviews and updates its gas reserves and resources position on an annual basis to ensure that if there is any new data that might affect the reserves or resources estimates of the Company steps can be taken to ensure that the estimates are adjusted accordingly.

** Listing Rule 5.40.1:

- All 2C contingent resources recorded in the table are undeveloped. 100% of the reported 2C contingent resource is attributable to unconventional gas.
- The geographical areas where the 2C contingent resources are located is the Karoo Basin in Botswana.

Listing Rule 5.40.2:

- The table shows the 2C and 3C contingent resources as at 30 June 2026 as against the previous year. The net 2C and 3C contingent resources did not increase from the 2025 year to the 2026 year.
- There were no other changes to the 2C and 3C contingent resources since the announcement on 20 February 2018.

Listing Rule 5.44:

- The estimates of Reserves and Contingent Resources appearing in the 2026 Annual Reserves Statement for Tlou Energy Limited and its subsidiaries are based on, and fairly represent, information and supporting documentation determined by the various qualified petroleum reserves and resource evaluators listed below.
- The gas reserves and resource estimates for the Lesedi CBM Project provided in this report were released to the Market on 20 February 2018 ('Announcement'). Tlou Energy confirms that it is not aware of any new information or data that materially affects the information included in the Announcement and that all the material assumptions and technical parameters underpinning the estimates in the Announcement continue to apply and have not materially changed. The gas reserve and resource estimates are based on and fairly represents, information and supporting documentation and were determined by Dr. Bruce Alan McConachie of SRK Consulting (Australasia) Pty Ltd, in accordance with Petroleum Resource Management System guidelines which were issued in 2007 and were in use in February 2018. The most recent changes to these guidelines, which revised those 2007 guidelines, was issued in June 2018. These revised guidelines will form the basis of any future assessments. The guidelines were re-affirmed by Mr Carl D'Silva of SRK. Mr D'Silva is considered to be a qualified person as defined under the ASX Listing Rule 5.42 and has given his consent to the use of the resource figures in the form and context in which they appear in this report.

Notes to Net Reserves and Resources Table:

- 1) Gas Reserve and Resource numbers have been rounded to the nearest whole number.
- 2) Gas Resource numbers have been rounded to the nearest tenth for amounts less than 100 BCF, otherwise to the nearest whole number.
- 3) Tlou's Gas Reserves have not been adjusted for fuel or shrinkage and have been calculated at the wellhead (which is the reference point for the purposes of Listing Rule 5.26.5).
- 4) Contingent Gas Resources are (100%) Unrisked Gross and are derived from the SRK certification at 31 March 2015 for all coal seams (as previously announced by Tlou on 9 April 2015) with adjustment for the gas volumes which have now been certified by SRK in the Gas Reserves category.
- 5) ASX Listing Rule 5.28.2 Statement relating to Prospective Resources:
The estimated quantities of petroleum gas that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
- 6) Prospective Gas Resources are (100%) Unrisked Gross and are derived from a report to Tlou from Netherland, Sewell and Associates Inc (NSAI) dated 16th February 2012 regarding certification for all coal seams located in the remaining prospecting licences (as previously announced by Tlou in its prospectus dated 20 February 2013).

Consolidated Statement of Comprehensive Income for the year ended 30 June 2026

		Consolidated	
	Note	June 2026	June 2025
		\$	\$
Interest income		249	2,237
Other income		13,974	-
Expenses			
Employee benefits expense	3	(734,972)	(958,116)
Depreciation expense	11	(95,191)	(107,288)
Impairment - exploration and evaluation assets	9	(56,292,624)	-
Foreign exchange gain/(loss)		341,283	(213,135)
Interest expense	13/14	(2,225,867)	(2,257,784)
Share-based payment expense		-	(7,897)
Professional fees		(303,397)	(413,115)
Occupancy costs		(32,201)	(13,747)
Other expenses	3	(633,765)	(915,860)
Fair value gain/(loss) on financial instruments	15	1,812	104,907
LOSS BEFORE INCOME TAX		(59,960,699)	(4,779,798)
Income tax	4	-	-
LOSS FOR THE PERIOD		(59,960,699)	(4,779,798)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(4,482,372)	2,555,254
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		(4,482,372)	2,555,254
TOTAL COMPREHENSIVE INCOME/(LOSS)		(64,443,071)	(2,224,544)
Earnings per share			
		Cents	Cents
Basic loss per share	5	(4.6)	(0.4)
Diluted loss per share	5	(4.6)	(0.4)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2026

		Consolidated	
	Note	June 2026	June 2025
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	129,746	210,581
Trade and other receivables	7	323,822	227,189
Other current assets	8	1,385,425	1,382,404
TOTAL CURRENT ASSETS		1,838,993	1,820,174
NON-CURRENT ASSETS			
Exploration and evaluation assets	9	20,060,772	78,808,960
Property, plant and equipment	10	1,073,065	1,254,378
TOTAL NON-CURRENT ASSETS		21,133,837	80,063,338
TOTAL ASSETS		22,972,830	81,883,512
CURRENT LIABILITIES			
Trade and other payables	11	5,711,395	4,334,756
Convertible notes	13	13,332,691	13,229,130
Derivatives	15	32,736	34,548
Related party loan	14	-	2,470,000
Lease liabilities		-	19,370
Provisions	12	310,545	294,587
TOTAL CURRENT LIABILITIES		19,387,367	20,382,391
NON-CURRENT LIABILITIES			
Related party loan	14	6,506,913	-
Provisions	12	150,500	130,000
TOTAL NON-CURRENT LIABILITIES		6,657,413	130,000
TOTAL LIABILITIES		26,044,780	20,512,391
NET ASSETS / (LIABILITIES)		(3,071,950)	61,371,121
EQUITY / (DEFICIT)			
Contributed equity	16	131,011,488	131,011,488
Reserves		(12,646,517)	(8,164,145)
Accumulated losses		(121,436,921)	(61,476,222)
TOTAL EQUITY / (DEFICIT)		(3,071,950)	61,371,121

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 30 June 2026

	Contributed Equity	Share- Based Payments Reserve	Foreign Currency Translation Reserve	Convertible Equity Reserve	Accumulated Losses	Total
	\$	\$	\$		\$	\$
Consolidated						
Balance at 1 July 2024	130,015,701	1,303,276	(12,024,330)	1,304,931	(58,007,597)	62,591,981
Loss for the period	-	-	-	-	(4,779,798)	(4,779,798)
Other comprehensive income, net of tax	-	-	2,555,254	-	-	2,555,254
Total comprehensive income	-	-	2,555,254	-	(4,779,798)	(2,224,544)
Transactions with owners in their capacity as owners						
Share-based payments	-	7,897	-	-	-	7,897
Transfers - expired performance rights	-	(1,311,173)	-	-	1,311,173	-
Shares issued, net of costs	995,787	-	-	-	-	995,787
	995,787	(1,303,276)	-	-	1,311,173	1,003,684
Balance at 30 June 2025	131,011,488	-	(9,469,076)	1,304,931	(61,476,222)	61,371,121
Balance at 1 July 2025	131,011,488	-	(9,469,076)	1,304,931	(61,476,222)	61,371,121
Loss for the period	-	-	-	-	(59,960,699)	(59,960,699)
Other comprehensive income, net of tax	-	-	(4,482,372)	-	-	(4,482,372)
Total comprehensive income	-	-	(4,482,372)	-	(59,960,699)	(64,443,071)
Balance at 30 June 2026	131,011,488	-	(13,951,448)	1,304,931	(121,436,921)	(3,071,950)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 30 June 2026

	Note	Consolidated	
		June 2026	June 2025
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees (inclusive of GST and VAT)		(1,777,556)	(1,133,356)
Interest received		249	2,237
Interest paid		(548,186)	-
NET CASH USED IN OPERATING ACTIVITIES	25	(2,325,493)	(1,131,119)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets		(2,147,745)	(4,085,316)
Payment for property, plant and equipment		(128,139)	(126,098)
NET CASH USED IN INVESTING ACTIVITIES		(2,275,884)	(4,211,415)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	995,788
Proceeds from related party borrowings	14	4,036,913	1,990,000
Proceeds from other borrowings		512,143	-
Payments of lease liabilities		(18,870)	(21,799)
NET CASH PROVIDED BY FINANCING ACTIVITIES		4,530,186	2,963,989
Net (decrease)/increase in cash held		(71,191)	(2,378,545)
Cash at the beginning of the period		210,581	2,517,135
Effects of exchange rate changes on cash		(9,644)	71,991
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	129,746	210,581

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Note 1. Material accounting policies

Introduction

This financial report includes the consolidated financial statements of Tlou Energy Limited (the “Company”) and its controlled entities (together referred to as the “consolidated entity” or the “group”).

The separate financial statements of the parent entity, Tlou Energy Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*. Supplementary information about the parent entity is disclosed in Note 28.

Tlou Energy Limited is a public company, incorporated and domiciled in Australia. Its registered office and principal place of business is 210 Alice St, Brisbane, QLD 4000, Australia.

The following is a summary of the material and principal accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

Operations and principal activities

The principal activity of the consolidated entity is to explore and evaluate power solutions in Sub-Saharan Africa through Coalbed Methane (CBM) gas-fired power. Only minor revenue from a proof-of-concept project has been earned to date, as the consolidated entity is still in the exploration and evaluation or pre-development stage.

Currency

The financial report is presented in Australian dollars, rounded to the nearest dollar, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183.

Authorisation of financial report

The financial report was authorised for issue on 30 September 2026.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Tlou Energy Limited is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of Tlou Energy Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs except for derivative financial instruments which are measured at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Refer to the accounting policy on translation of foreign operations under Note 17.

Notes to the financial statements (continued)

Note 1 Material accounting policies (continued)

Going Concern

The consolidated financial statements have been prepared on a going-concern basis, which contemplates that the consolidated entity will continue to meet its commitments, continue normal business activities and realise its assets and settle its liabilities in the ordinary course of business.

For the year ended 30 June 2026, the Group incurred a loss after income tax of \$59,960,699, which included a non-cash impairment charge of \$56,292,624 in respect of exploration and evaluation assets. Net cash used in operating activities was \$2,325,493 and net cash used in investing activities was \$2,275,884. At 30 June 2026, the Group had net current liabilities of \$17,548,374, including \$13,332,691 of convertible notes and loans, \$3,275,261 of accrued interest included within trade and other payables and \$954,774 payable to former Directors. The Group had cash and cash equivalents of \$129,746 at 30 June 2026. Commitments due within 12 months of the reporting date amounted to \$503,570 (refer to note 18).

The Directors have prepared cash-flow forecasts covering at least 12 months from the date of approval of these financial statements. The forecasts indicate that the Group requires continued access to the undrawn portion of the ILC BC facility, careful management of expenditure and additional funding to meet its obligations and progress planned activities. The Group's ability to continue as a going concern is therefore dependent on the continued availability of that facility in accordance with its terms, compliance by ILC Group with the standstill described below, continued deferral of amounts payable to former Directors, the Group's ability to defer discretionary project and development expenditure, and the successful completion of a capital raising or another source of equity, debt or strategic funding.

These conditions give rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding this material uncertainty, the Directors consider that the going-concern basis of preparation remains appropriate after taking into account the matters set out below.

BPOPF conditional approval in principle

On 2 September 2026, BPOPF notified the Company that its Board of Trustees had given conditional approval in principle to convert BPOPF's outstanding claim into fully paid ordinary shares at A\$0.01 per share. The conditions include the Company securing committed new capital, simultaneous and equivalent treatment of the claims of ILC Group, agreement of the balances and conversion perimeter, appropriate governance and economic protections, all required approvals, an acceptable post-transaction capital structure and execution of definitive documents.

BPOPF did not commit to provide new capital. Its letter does not constitute a binding conversion agreement, waive the existing default under its note or restrict the exercise of its existing rights. The approval in principle will lapse if the proposed transaction has not been completed by 27 August 2027, unless BPOPF agrees otherwise in writing. Accordingly, the Directors have not treated the proposed BPOPF conversion or any forbearance by BPOPF as unconditional or completed in assessing going concern.

ILC Group standstill and proposed conversion

On 30 September 2026, ILC Group provided the Company with a letter under which each ILC party agreed, for 12 months from that date, not to demand or accept cash repayment of, accelerate, enforce or take recovery action in respect of any principal, interest, fee or other amount owed to it under the Company's existing financing arrangements. Interest may continue to accrue or capitalise in accordance with the existing terms. The letter states that it may be relied on by the Company and the Directors for solvency and going-concern assessments.

The letter also confirms ILC Group's intention to convert all principal, accrued interest, fees and other amounts outstanding at an agreed cut-off date into fully paid ordinary shares at the same price and time as the proposed BPOPF conversion, currently contemplated to be A\$0.01 per share. The proposed ILC conversion is subject to BPOPF completing its conversion concurrently, agreement of the balances and applicable exchange rates, all legally required approvals and execution of definitive implementation and conversion documents. No conversion had been completed at the date these financial statements were authorised for issue.

Notes to the financial statements (continued)

Note 1 Material accounting policies (continued)

Going Concern (continued)

Until conversion, the ILC letter does not cancel, reduce or adversely vary the undrawn commitment under the existing A\$10 million ILC BC facility, and ILC BC has agreed to continue to honour valid drawdown requests in accordance with that facility. If the proposed conversions occur, the undrawn commitment will be cancelled unless separately documented as genuine new funding. The proposed conversions would reduce financial liabilities but would not provide additional cash to the Group.

Other supporting factors

Trade and other payables include \$954,774 payable to former Directors. The relevant former Directors have confirmed that they will not require payment until the Company has sufficient funds available. The forecasts assume that these balances will not be paid during the forecast period unless sufficient additional funding is secured.

The Group has commenced electricity generation from coalbed methane gas at the Lesedi Project through the initial Kala Data Centre facility. However, operations remain at an early stage and current income is not sufficient to fund the Group's operating and development requirements. The forecasts therefore provide for material discretionary development expenditure, including further drilling, completion of the substation and material solar development, to be deferred unless project-specific or other additional funding is secured.

Management continues to evaluate potential equity, debt and strategic funding alternatives. Certain existing shareholders have expressed interest in considering participation in a future capital raising and have requested to be kept informed of the Company's operational progress. However, no binding commitments for an equity raising or other additional external funding had been received at the date of this financial report.

Conclusion

After considering the cash-flow forecasts, the remaining availability under the ILC BC facility, the 12-month ILC Group standstill, the payment-deferral arrangements with former Directors, the ability to manage discretionary expenditure and the Group's continuing funding initiatives, the Directors consider that there are reasonable grounds to believe that the Group will be able to meet its obligations as and when they fall due and that it is appropriate to prepare the financial statements on a going-concern basis.

This conclusion does not assume that the proposed BPOPF or ILC Group conversions have been completed, that BPOPF has waived or agreed not to exercise its existing rights, or that the proposed conversions will provide new cash. If the remaining ILC BC facility is unavailable when required, ILC Group does not comply with the standstill, BPOPF exercises its existing rights, or the Group is unable to secure additional funding and manage expenditure as forecast, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities, that may be necessary should the Group be unable to continue as a going concern.

Notes to the financial statements (continued)

Accounting Policies**(a) Financial Instruments**Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The fair value adjustment is through profit or loss.

(b) Borrowings

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost using the effective interest method.

The Consolidated entity's financial liabilities measured at amortised cost include trade and other payables and the host liability of convertible notes.

Convertible notes

The conversion feature included in convertible notes is assessed to determine if it satisfies or fails the fixed-for-fixed requirement to be classified as a compound financial instrument containing an equity component. If this requirement is failed the notes are separated into the host liability and the derivative liability component of the notes.

Subsequent to initial recognition any changes in fair value of the derivative liability at each balance date are recognised in profit or loss.

The host liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the notes.

(c) New Accounting Standards and Interpretations

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these standards and interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

(d) New Standards and Interpretations not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2026. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Notes to the financial statements (continued)

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets and liabilities. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Exploration & evaluation assets

The consolidated entity performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to reporting date.

During the year, management determined that impairment indicators existed for certain projects. Following an assessment, an impairment charge of \$56,292,624 was recognised. The determination of the existence of impairment indicators and estimation of recoverable amount involved significant judgement. Refer to Note 9. for further details.

Management has considered whether Tlou is still in the E&E phase or has moved into development. The projects should still be classified as E&E as the technical and commercial feasibility has not been established. In particular:

- whilst there has been independently certified gas reserves and contingent resources whether or not these reserve gas flow rates will be of a commercial quantity has not been established;
- funding for the commercialisation of reserves and for a commercial level of production has not been confirmed; and
- a final investment decision has not been made.

At the date of this report the Directors consider that Tlou is still in the E&E phase as the three points above are still relevant, i.e. (i) commercial gas flow rates are yet to be established, (ii) agreed funding to commercialise the project is not yet in place, (iii) we have not reached a final investment decision. Based on these facts and despite the progress this year the project remains in the E&E stage.

Deferred Tax assets

The consolidated entity has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same subsidiary against which the unused tax losses can be utilised. However, utilisation of the tax losses also depends on the ability of the entity, which is not part of the tax consolidated group, to satisfy certain tests at the time the losses are recouped. Due to the parent entity acquiring the entity that holds the losses it is expected that the entity will fail to satisfy the continuity of ownership test and therefore must rely on the same business test. As at 30 June 2026 the consolidated entity has not received advice that the losses are unavailable, however should this change in the future the consolidated entity may be required to derecognise these losses.

Notes to the financial statements (continued)

Note 3. Expenses

	Consolidated	
	June 2026	June 2025
	\$	\$
Loss before income tax includes the following specific expenses:		
Employee benefits expense		
• Defined contribution superannuation expense	38,374	64,935
• Other employee benefits expense	696,598	893,181
	734,972	958,116
Other expenses include the following specific items:		
• Travel and accommodation costs	50,913	123,651
• Consultants	267,601	127,812
• Stock exchange, advisory, secretarial fees	157,722	368,683

Note 4. Income Tax

	Consolidated	
	June 2026	June 2025
	\$	\$
Loss before income tax	(59,960,699)	(4,779,798)
Tax at the domestic tax rates applicable to profits in the country concerned at 30% (2025: 30%)	(17,988,210)	(1,433,939)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Other temporary items	50,977,422	1,350,730
Difference in overseas tax rates	(1,049,638)	(20,315)
Deferred tax asset not recognised	(31,939,575)	103,524
Income tax benefit	-	-
Recognised deferred tax assets		
Unused tax losses	925,111	10,769,139
	925,111	10,769,139
Recognised deferred tax liabilities		
Assessable temporary differences – Exploration assets	925,111	10,769,139
	925,111	10,769,139
Net deferred tax liability recognised	-	-
Unrecognised temporary differences and tax losses		
Unused tax losses and temporary differences for which no deferred tax asset has been recognised	126,797,662	79,012,430

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the consolidated entity can utilise these benefits.

Notes to the financial statements (continued)

Note 5. Earnings per share

	Consolidated	
	June 2026	June 2025
	\$	\$
Reconciliation of earnings used in calculating basic and diluted loss per share:		
Loss for the year attributable to owners of Tlou Energy Limited	(59,960,699)	(4,779,798)
Loss used in the calculation of the basic and dilutive loss per share	(59,960,699)	(4,779,798)
Weighted average number of ordinary shares used as the denominator		
Number used in calculating basic and diluted loss per share	Number 1,298,584,319	Number 1,292,788,847

Convertible notes and convertible loans are considered to be "potential ordinary shares" but were anti-dilutive in nature and therefore the diluted loss per share is the same as the basic loss per share.

Note 6. Cash and Cash Equivalents

	Consolidated	
	June 2026	June 2025
	\$	\$
Cash at bank	129,746	210,581
	129,746	210,581

Note 7. Trade and Other Receivables

	Consolidated	
	June 2026	June 2025
	\$	\$
Current		
Other receivables	9,410	224
GST/VAT receivable	314,412	226,965
	323,822	227,189

Note 8. Other Current Assets

	Consolidated	
	June 2026	June 2025
	\$	\$
Deposits	840,388	780,695
Well consumables - at cost	545,037	601,709
	1,385,425	1,382,404

Included in deposits is \$835,260 (2025: \$777,482) in relation to the purchase of a drilling rig.

Well consumables are valued at lower of cost and net realisable value. Well consumables are allocated to exploration and evaluation expenditure when the assets are used in operations on a first-in first-out (FIFO) basis. During the year, the Group reassessed the classification of well consumables held for use in drilling activities. Management determined that these consumables are expected to be consumed within the Group's normal operating cycle and therefore meet the definition of current inventory.

Accordingly, amounts previously presented as non-current assets have been reclassified to current assets in the comparative statement of financial position. The reclassification has no impact on total assets, total equity, profit or loss, earnings per share or cash flows..

Notes to the financial statements (continued)

Note 9. Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest or project. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

Accumulated costs in relation to an area or project no longer considered viable are written off in full in the year the decision is made. Regular reviews are undertaken on each area of interest and project to determine the appropriateness of continuing to carry forward related costs.

	Consolidated	
	June 2026	June 2025
	\$	\$
Exploration and evaluation assets	20,060,772	78,808,960
	20,060,772	78,808,960

	June 2026	June 2025
	\$	\$
Movements in exploration and evaluation assets		
Balance at the beginning of period	78,808,960	71,994,040
Exploration and evaluation expenditure during the year	1,802,970	4,289,829
Impairment expense	(56,292,624)	-
Foreign currency translation	(4,258,534)	2,525,091
Balance at the end of period	20,060,772	78,808,960

The recoupment of costs carried forward in relation to projects or areas of interest in the exploration and evaluation phase is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

There is a risk that one or more of the exploration licences will not be extended, or that the terms of the extension are not favourable to Tlou. This could have an adverse impact on the performance of Tlou. The consolidated entity is not aware of any reasons why the licences will not be renewed.

Impairment assessment

During the year, the Group recognised an impairment charge of \$56,292,624 following a strategic reassessment of its broader exploration portfolio and a decision to focus capital allocation and development activities on the Lesedi core assets. The Lesedi core assets include the Lesedi 4 and Lesedi 6 production wells, the substation at Lesedi and the 100km transmission line. No impairment indicators were identified at the reporting date in respect of the Lesedi 4 and Lesedi 6 wells, the Lesedi substation, or the 66kV transmission line to Serowe, beyond the uncertainties inherent in early-stage coal bed methane (CBM) development. The recoverability of the capitalised exploration and evaluation expenditure associated with these assets remains dependent on successful future development and commercial exploitation of the Lesedi project or, alternatively, its sale.

E&E assets that related to other areas in the Lesedi project, the Mamba project and Boomslang projects have been impaired in full as there is currently no plan in place to develop these projects in the near term.

Notes to the financial statements (continued)

Note 10. Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation and amortisation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment and right of use assets over their expected useful lives as follows:

Site equipment 4 years

Office equipment 4 years

Furniture and fittings 4 years

Leasehold land and buildings including right-of-use assets are spread over the actual or expected term of the lease.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Consolidated	
June 2026	June 2025
\$	\$
4,826,245	5,346,101
(3,753,180)	(4,091,723)
1,073,065	1,254,378

Movements in Carrying Amounts

Movement in the carrying amounts between the beginning and the end of the current financial year:

2026	Leasehold Land and Buildings	Site Equipment	Office Equipment	Furniture and Fittings	Total
Balance at the beginning of year	1,116,761	70,329	16,189	51,099	1,254,378
Additions	-	-	5,847	-	5,847
Disposals	-	-	(2,225)	-	(2,225)
Depreciation and amortisation	(15,635)	(34,302)	(12,667)	(30,362)	(92,966)
Foreign exchange movements	(82,349)	(5,187)	(666)	(3,767)	(91,969)
Carrying amount at the end of year	1,018,777	30,840	6,478	16,970	1,073,065

Included in property, plant and equipment are right-of-use assets with a carrying value of \$nil (2025: \$15,509).

2025	Leasehold Land and Buildings	Site Equipment	Office Equipment	Furniture and Fittings	Total
Balance at the beginning of year	1,088,269	83,888	31,940	80,521	1,284,618
Additions	-	22,979	481	-	23,460
Depreciation and amortisation	(16,879)	(40,994)	(16,637)	(32,778)	(107,288)
Foreign exchange movements	45,371	4,456	405	3,356	53,588
Carrying amount at the end of year	1,116,761	70,329	16,189	51,099	1,254,378

Included in property, plant and equipment are right-of-use assets with a carrying value of \$15,509 (2025: \$30,117).

Notes to the financial statements (continued)

Note 11. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

	Consolidated	
	June 2026	June 2025
	\$	\$
Current		
Trade payables	179,661	787,445
Accruals	1,250,150	984,284
Interest payable on loans and convertible notes	3,275,261	2,058,733
Other payables	1,006,323	504,294
	5,711,395	4,334,756

The carrying values of trade and other payables approximate fair values due to short-term nature of the amounts. These are non-interest bearing.

Note 12. Provisions*Rehabilitation*

The provision represents the estimated costs to rehabilitate wells in licences held by the consolidated entity. This provision has been calculated based on the number of wells which require rehabilitation and the expected costs to rehabilitate each well, taking into consideration the type of well and its location.

Employee benefits – Botswana Severance

A provision has been recognised for employee benefits relating to severance pay payable in Botswana.

Severance pay

As per the Botswana Labour a provision is calculated for each Botswana based employee of one day per month of service, which can be paid out after 60 months or when employment ends. The benefit rises to two days per month after the first 60 months.

	Consolidated	
	June 2026	June 2025
	\$	\$
Current		
Employee benefits – annual leave	146,335	124,399
Employee benefits – Botswana severance	164,210	170,188
	310,545	294,587
Non-current		
Rehabilitation	150,500	130,000
	150,500	130,000

Notes to the financial statements (continued)

Note 13. Convertible notes

The parent entity has convertible notes and loans as follows:

	Consolidated	
	June 2026	June 2025
	\$	\$
Convertible notes	8,242,280	8,599,872
Convertible loans	5,090,411	4,629,258
	13,332,691	13,229,130

Convertible Notes

The parent entity issued convertible notes totalling US\$5,000,000 on 24 January 2022. The notes are convertible into ordinary shares of the parent entity, at the option of the holder at the higher of:

- (a) A 10% discount to the weighted average traded price of the Company's shares on the ASX over the 90 days prior to the Conversion Date; and
- (b) A\$0.06

The notes incur interest at 7.75% and the Company has capitalised interest for the first 24 months with interest payments due at six-month intervals thereafter. The notes expire on 24 January 2027, being 5 years after issue.

	Consolidated	
	June 2026	June 2025
	\$	\$
Opening Balance	8,599,872	8,417,722
Interest payable transferred to trade and other payables	(625,633)	(696,732)
Interest expense for the period	625,633	696,732
Effect of foreign exchange movement	(357,592)	182,150
Host liability	8,242,280	8,599,872

Convertible Loans

ILC Investments Pty Ltd ("ILC") and ILC BC Pty Ltd ("ILCB") have provided loans to the Company, made up of a converted ILC term loan along with an additional \$2m loan from ILC and a separate \$1m loan from ILCB. ILC is Tlou's largest shareholder. Interest on the loans is charged at 10% per annum. The convertible loans were originally payable at the earlier of 30 April 2026 or 60 days after the date the Company first generates and supplies electricity into the grid from its Lesedi project. At any time during the term, ILC and ILCB may elect to convert the whole or part of the loan into shares in the Company at \$0.035 per share.

	Consolidated	
	June 2026	June 2025
	\$	\$
Opening balance	4,629,258	3,785,480
Interest expense for the period	1,083,727	1,409,482
Interest payable transferred to trade and other payables	(622,574)	(565,704)
Financial liability	5,090,411	4,629,258

Notes to the financial statements (continued)

Note 14. Related Party Loan

Opening balance	2,470,000	480,000
Loans advanced	4,036,913	1,990,000
Interest expense for the period	516,507	151,569
Interest payable transferred to trade and other payables	(516,507)	(151,569)
	6,506,913	2,470,000

The Company entered into a loan agreement with ILC BC Pty Ltd ACN 137 272 596 ("ILCB") to provide an unsecured loan facility of up to A\$10m. ILCB and ILC investments Pty Ltd ("ILC"), a substantial shareholder in the Company, are both controlled by the same party. Interest on funds drawdown is charged at 10% per annum. At the reporting date A\$6,506,913 has been drawn down. The loan is repayable 10 business days after ILCB requests payment of all outstanding amounts from the Company or when the Company elects to repay ILCB all outstanding amounts. In the prior year, the loan was a short-term loan and as such was classified as current. On 30 June 2026, the maturity date of the loan was agreed to 30 September 2027, and as such the loan has been classified as non-current in this financial year.

Note 15. Derivatives

	Consolidated	
	June 2026	June 2025
<u>Current</u>	\$	\$
Opening balance	34,548	139,455
Fair value movement recognised in profit or loss	(1,812)	(104,907)
Closing balance	32,736	34,548

Derivatives relate to the conversion feature included in the convertible notes issued on 24 January 2022. The initial fair value and the value of the derivative portion of the note was determined using a binomial option model.

Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The fair value of the consolidated entity's derivatives is determined using valuation techniques as they are not traded in an active market. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. The conversion feature derivative is considered to be a level 3 measurement as the binomial pricing model includes unobservable inputs.

Changes in the value of the derivatives that have been recognised are included in the tables above.

Notes to the financial statements (continued)

Note 16. Contributed equity

Issued and paid-up capital is recognised at the fair value of the consideration received by the consolidated entity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	Consolidated			
	June 2026	June 2025	June 2026	June 2025
	Shares	Shares	\$	\$
Opening balance	1,298,584,319	1,270,133,251	131,011,488	130,015,701
Issue of ordinary shares during the year	-	28,451,068	-	995,787
Ordinary shares - fully paid	1,298,584,319	1,298,584,319	131,011,488	131,011,488

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of, and amounts paid on, the shares held. The fully paid ordinary shares have no par value. On a show of hands every member present at a meeting, in person or by proxy, shall have one vote and upon a poll, each share shall have one vote. The Company does not have authorised capital or par value in respect of its issued shares.

Capital risk management

The capital structure of the consolidated entity consists of equity attributable to equity holders of the parent entity, comprising issued capital and reserves as disclosed in the Consolidated Statement of Changes in Equity.

When managing capital, management's objective is to ensure the parent entity continues as a going concern and to maintain a structure that ensures the lowest cost of capital available and to ensure adequate capital is available for exploration and evaluation of tenements. In order to maintain or adjust the capital structure, the consolidated entity may seek to issue new shares. Consistent with other exploration companies, the consolidated entity, including the parent entity monitors capital on the basis of forecast exploration and development expenditure required to reach a stage which permits a reasonable assessment of the existence or otherwise of an economically recoverable reserve.

Notes to the financial statements (continued)

Note 17. Reserves**Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled entities.

The financial report is presented in Australian dollars rounded to the nearest dollar, which is Tlou Energy Limited's functional and presentation currency.

Share-Based Payments Reserve

The share-based payments reserve is used to record the share-based payment associated with options and performance rights granted to employees and others under equity-settled share-based payment arrangements.

Convertible Equity Reserve

The convertible equity reserve is used to record the equity component of convertible loans. The convertible loans are classified as a financial instrument containing a debt component and an equity component. The equity component relates to the conversion feature to exchange the loans for a fixed number of equity instruments.

Note 18. Commitments**Exploration and evaluation expenditure:**

To maintain an interest in the exploration tenements in which it is involved, the consolidated entity is required to meet certain conditions imposed by the various statutory authorities granting the exploration tenements or that are imposed by the joint venture agreements entered into by the consolidated entity. These conditions can include proposed expenditure commitments. The timing and amount of exploration expenditure obligations of the consolidated entity may vary significantly from the forecast based on the results of the work performed, which will determine the prospectivity of the relevant area of interest. Subject to renewal of all prospecting licences, the consolidated entity's proposed expenditure obligations along with obligations under contracts related to the construction of electrical substations and associated infrastructure which are not provided for in the financial statements are as follows:

	Consolidated	
	June 2026	June 2025
	\$	\$
Minimum expenditure requirements	503,570	736,787
• not later than 12 months	-	-
• between 12 months and 5 years	503,570	736,787

Notes to the financial statements (continued)

Note 19. Financial instruments**Overview**

The consolidated entity's principal financial instruments comprise receivables, payables, cash deposits, convertible notes and derivatives. The main risks arising from the consolidated entity's financial assets are interest rate risk, foreign currency risk, credit risk and liquidity risk.

This note presents information about the consolidated entity's exposure to each of the above risks, its objectives, policies, and processes for measuring and managing risk. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The consolidated entity holds the following financial instruments:

	Consolidated	
	June 2026	June 2025
Financial Assets	\$	\$
Cash and cash equivalents	129,746	210,581
Trade and other receivables	9,410	224
	139,156	210,805
Financial Liabilities		
Trade and other payables (including lease liabilities)	5,711,395	4,354,126
Convertible notes	13,332,691	13,229,130
Derivatives	32,736	34,548
Related party loan	6,506,913	2,470,000
	25,583,735	20,087,804

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Key risks are monitored and reviewed as circumstances change (e.g., acquisition of new entity or project) and policies are created or revised as required. The overall objective of the consolidated entity's financial risk management policy is to support the delivery of the consolidated entity's financial targets whilst protecting future financial security. In addition, the consolidated entity's policy is that no trading in financial instruments shall be undertaken for the purpose of making speculative gains. As the consolidated entity's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the consolidated entity's financial risks as summarised below. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls, and risk limits.

Risk management is carried out by senior finance executives (finance) under policies approved by the Board of Directors. Finance identifies, evaluates, and hedges financial risks within the consolidated entity's operating units where appropriate.

Notes to the financial statements (continued)

Note 20 Financial instruments (continued)

(a) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The consolidated entity is also exposed to earnings volatility on floating rate instruments.

A forward business cash requirement estimate is made, identifying cash requirements for the following period (generally up to one year) and interest rate term deposit information is obtained from a variety of banks over a variety of periods (usually one month up to six-month term deposits) accordingly. The funds to invest are then scheduled in an optimised fashion to maximise interest returns.

Interest rate sensitivity

A sensitivity of 1% interest rate has been selected as this is considered reasonable given the current market conditions. A 1% movement in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$
Consolidated - 30 June 2026				
Cash and cash equivalents	1,297	(1,297)	1,297	(1,297)
Consolidated - 30 June 2025				
Cash and cash equivalents	2,106	(2,106)	2,106	(2,106)

Interest rate risk on other financial instruments is immaterial.

(b) Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the consolidated entity will always have sufficient liquidity to meet its obligations when due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The consolidated entity manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. This is based on the undiscounted cash flows of the financial liabilities based on the earliest date on which they are required to be paid. At the end of the reporting period the consolidated entity held cash of \$129,746 (2025: \$210,581).

The following table details the remaining contractual maturity for non-derivative financial liabilities.

	Within	Between	Total Contractual	Carrying
	1 Year	1 - 5 years	Cash Flows	Amount
	\$	\$	\$	\$
Consolidated - 30 June 2026				
Trade and other payables (including lease liabilities)	5,711,395	-	5,711,395	5,711,395
Related party loan	-	7,194,584	7,194,584	6,506,913
Convertible instruments & derivatives	14,187,413	-	14,187,413	13,365,427
Consolidated - 30 June 2025				
Trade and other payables (including lease liabilities)	4,354,126	-	4,354,126	4,354,126
Related party loan	2,530,000	-	2,530,000	2,530,000
Convertible instruments & derivatives	15,937,904	-	15,937,905	13,263,678

Notes to the financial statements (continued)

Note 20 Financial instruments (continued)

(c) Foreign exchange risk

As a result of activities overseas, the consolidated entity's consolidated statement of financial position can be affected by movements in exchange rates. The consolidated entity also has transactional currency exposures. Such exposures arise from transactions denominated in currencies other than the functional currency of the relevant entity.

The consolidated entity's exposure to foreign currency risk primarily arises from the consolidated entity's operations overseas. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

During the prior year the consolidated entity entered into a foreign exchange forward contract to mitigate its foreign exchange risk. Apart from this contract the consolidated entity's policy is to generally convert its local currency to Pula, Rand, or US dollars at the time of transaction. The consolidated entity, has on rare occasions, taken the opportunity to move Australian dollars into foreign currency (ahead of a planned requirement for those foreign funds) when exchange rate movements have moved significantly in favour of the Australian dollar, and management considers that the currency movement is extremely likely to move back in subsequent weeks or months. Therefore, the opportunity has been taken to lock in currency at a favourable rate to the consolidated entity. This practice is expected to be the exception, rather than the normal practice.

The consolidated entity's exposure to foreign currency risk at the reporting date, expressed in Australian dollars, was as follows:

	2026 USD A\$	2026 BWP A\$	2026 ZAR A\$	2026 GBP A\$	2025 USD A\$	2025 BWP A\$	2025 ZAR A\$	2025 GBP A\$
Financial Assets								
Cash and cash equivalents	1,527	87,328	978	521	55,961	12,957	17,836	23,665
Trade and other receivables	-	9,410	-	-	-	224	-	-
Financial Liabilities								
Trade and other payables	(735,613)	(379,742)	-	-	(646,434)	(833,365)	-	-
Convertible instruments	(8,242,280)				(8,599,872)			
Net Financial Instruments	(8,976,366)	(283,004)	978	521	(9,190,345)	(820,184)	17,836	23,665

Foreign currency rate sensitivity

Based on financial instruments held at 30 June 2026, had the Australian dollar strengthened/weakened by 10% the consolidated entity's profit or loss and equity would be impacted as follows:

	Profit or loss		Equity	
	10% Increase	10% Decrease	10% Increase	10% Decrease
2026	\$	\$	\$	\$
Dollar (US)	897,637	(897,637)	897,637	(897,637)
Pula (Botswana)	29,010	(29,010)	29,010	(29,010)
Rand (South Africa)	(98)	98	(98)	98
Pound (UK)	(52)	52	(52)	52
2025				
Dollar (US)	59,047	(59,047)	59,047	(59,047)
Pula (Botswana)	81,845	(81,845)	81,845	(81,845)
Rand (South Africa)	(1,784)	1,784	(1,784)	1,784
Pound (UK)	(2,367)	2,367	(2,367)	2,367

Notes to the financial statements (continued)

Note 20 Financial instruments (continued)

(d) Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents. The consolidated entity's exposure and the credit ratings of its counterparties are continuously monitored by the Board of Directors.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised in the table above.

Cash and cash equivalents

The consolidated entity has a significant concentration of credit risk with respect to cash deposits with Westpac Banking Corporation, First National Bank Botswana, and First National Bank South Africa. However, significant cash deposits are invested across banks to mitigate credit risk exposure to a particular bank. AAA rated banks are used where possible and non-AAA banks are utilised where commercially attractive returns are available.

Note 20. Key Management Personnel

Key management personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity.

Key management personnel compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	June 2026	June 2025
	\$	\$
Short-term employee benefits - paid	368,036	589,085
Short-term employee benefits - accrued	405,472	507,352
Post-employment benefits	32,714	65,608
Leave benefits	8,328	8,358
	814,550	1,170,403

Note 21. Auditors' Remuneration

During the year the following fees were paid or payable for services provided by the auditor of the consolidated entity:

	Consolidated	
	June 2026	June 2025
	\$	\$
Audit services		
Auditing or reviewing the financial statements	105,000	101,000
Non-audit services		
Tax consulting and compliance services	12,850	9,800
Total	117,850	110,800

Notes to the financial statements (continued)

Note 22. Contingent Liabilities

The Directors are not aware of any contingent liabilities (2025: nil).

Note 23. Related Party Transactions**Parent entity**

The legal parent entity is Tlou Energy Limited.

Subsidiaries

Interests in subsidiaries are set out in Note 26.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2026	2025
	\$	\$
<u>Payment for goods and services:</u>		
Office rent paid to The Gilby McKay Alice Street Partnership, a director-related entity of former director Anthony Gilby.	-	7,800
<u>Loans to/from related parties during the year</u>		
Loan from ILC BC Pty Ltd	4,036,913	1,990,000
Interest accrued on loans with ILC Investments Pty Ltd and ILC BC Pty Ltd	687,671	717,274
<u>Receivable from and payable to related parties</u>		
The following balances are outstanding at the reporting date in relation to transactions with related parties:		
<u>Current payables:</u>		
Interest accrued on loans with ILC Investments Pty Ltd and ILC BC Pty Ltd	2,208,380	1,069,300
Convertible loan from ILC Investments Pty Ltd	4,090,411	4,090,411
Convertible loan from ILC BC Pty Ltd	1,000,000	1,000,000
Loan from ILC BC Pty Ltd	6,506,913	2,470,000

ILC BC Pty Ltd and ILC Investments Pty Ltd are entities controlled by Ian Campbell, Chairman of Tlou Energy Limited. ILC Investments Pty Ltd is the Company's largest shareholder and has provided funding to the Company. ILC BC Pty Ltd is the current provider of vital short-term funding to the Company.

Notes to the financial statements (continued)

Note 24. Segment Reporting**Reportable Segments**

Operating segments are identified based on internal reports that are regularly reviewed by the executive team to allocate resources to the segment and assess its performance.

The Company currently operates in one segment, being the exploration, evaluation and development of Coalbed Methane resources in Southern Africa.

Segment revenue

Segment revenue has been derived from operations based at the locations below:

	June 2026	June 2025
	\$	\$
Botswana	13,974	-
Australia	-	-
	<u>13,974</u>	<u>-</u>

Segment assets

Segment non-current assets are allocated to countries based on where the assets are located as outlined below:

	June 2026	June 2025
	\$	\$
Botswana	21,133,837	80,654,628
Australia	-	10,419
	<u>21,133,837</u>	<u>80,665,047</u>

Note 25. Cash Flow Information

	Consolidated	
	June 2026	June 2025
	\$	\$
Reconciliation of cash flow from operations		
Loss for the period	(59,551,100)	(4,779,798)
Depreciation	95,191	107,288
Share-based payments	-	7,897
Impairment charge - exploration and evaluation assets	55,883,025	-
Fair value gain/(loss) on financial instruments	(1,812)	(104,907)
Finance charges	461,833	846,039
Net exchange differences	(410,801)	180,681
Changes in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(117,896)	287,007
Increase/(decrease) in trade payables and accruals	1,290,075	2,528,286
Decrease/(increase) in prepayments	(2,152)	-
Increase/(decrease) in provisions	28,144	(203,613)
	<u>(2,325,493)</u>	<u>(1,131,119)</u>

Notes to the financial statements (continued)

Note 26. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.

Name of entity	Country of incorporation	Class of shares	Equity holding %	
			June 2026	June 2025
Tlou Energy Botswana (Proprietary) Ltd	Botswana	Ordinary	100	100
Technoleads International Inc	Barbados	Ordinary	100	100
Tlou Energy Exploration (Proprietary) Limited	Botswana	Ordinary	100	100
Sable Energy Holdings (Barbados) Inc	Barbados	Ordinary	100	100
Tlou Energy Resources (Proprietary) Limited	Botswana	Ordinary	100	100
Copia Resources Inc	Barbados	Ordinary	100	100
Tlou Energy Corp Services Botswana (Proprietary) Limited	Botswana	Ordinary	100	100
Madra Holdings (Barbados) Inc	Barbados	Ordinary	100	100
Tlou Energy Solutions (Proprietary) Limited	Botswana	Ordinary	100	100
Pula Holdings Inc	Barbados	Ordinary	100	100
Tlou Energy Generation Proprietary Limited	Botswana	Ordinary	100	100

Note 27. Matters subsequent to the end of the financial year

Following year end, ILC BC Pty Ltd, a related party of Executive Chairman Ian Campbell, provided a further \$370,000 under the loan facility in place with the Company.

On 2 September 2026, BPOPF notified the Company that its Board of Trustees had given conditional approval in principle to convert BPOPF's outstanding claim into fully paid ordinary shares at A\$0.01 per share. The approval in principle is subject to conditions including the Company securing committed new capital, simultaneous and equivalent treatment of the claims of ILC Group, agreement of the balances and amounts to be converted, appropriate governance and economic protections, all required approvals, an acceptable post-transaction capital structure and execution of definitive documents. BPOPF did not commit to provide new capital. Its letter does not constitute a binding conversion agreement, waive the existing default under its note or restrict the exercise of its existing rights. The approval in principle will lapse if the transaction has not been completed by 27 August 2027, unless BPOPF agrees otherwise in writing.

On 30 September 2026, ILC Group provided the Company with a letter under which each ILC party agreed to a 12-month standstill. During that period, each ILC party has undertaken not to demand or accept cash repayment of, accelerate, enforce or take recovery action in respect of any principal, interest, fee or other amount owed to it under the Company's existing financing arrangements. Interest may continue to accrue or capitalise in accordance with the existing terms. The letter also confirms ILC Group's intention to convert all such amounts outstanding at an agreed cut-off date into fully paid ordinary shares at the same price and time as the proposed BPOPF conversion, currently contemplated to be A\$0.01 per share.

The proposed ILC conversion is subject to BPOPF completing its conversion concurrently, agreement of the balances and applicable exchange rates, all legally required approvals and execution of definitive implementation and conversion documents. Until conversion, the letter does not cancel, reduce or adversely vary the undrawn commitment under the existing A\$10 million ILC BC facility, and ILC BC has agreed to continue to honour valid drawdown requests in accordance with that facility. On conversion, the undrawn commitment will be cancelled unless it is separately documented as genuine new funding on terms agreed at that time.

Notes to the financial statements (continued)

Note 27 Matters subsequent to the end of the financial year (continued)

No debt conversion had been completed at the date the financial statements were authorised for issue. The proposed conversions would not provide additional cash to the Group but, if completed, are expected to result in a material reduction in financial liabilities. As the balances, applicable exchange rates, required approvals and definitive documents remain outstanding, the financial effect of the proposed conversions cannot be reliably quantified at this time.

Except for the matters described above, there has not been any other matter or circumstance arising since 30 June 2026 that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Note 28. Parent entity disclosures

	Parent	
	June 2026	June 2025
	\$	\$
Current assets	164,147	299,534
Non-current assets	22,072,530	30,224,170
Total assets	22,236,677	30,523,704
Current liabilities	18,651,214	19,201,374
Non-current liabilities	6,657,413	130,000
Total liabilities	25,308,627	19,331,374
Net assets	(3,071,950)	11,192,330
Contributed equity	131,011,488	131,011,488
Other reserves	1,304,931	1,304,931
Accumulated losses	(135,388,369)	(121,124,089)
Total equity	(3,071,950)	11,192,330
Loss for the period	(14,264,280)	(6,529,614)
Total comprehensive income	(14,264,280)	(6,529,614)

Commitments, Contingencies and Guarantees of the Parent Entity

The Parent Entity has no commitments for the acquisition of property, plant and equipment, no contingent assets, contingent liabilities or guarantees at reporting date.

Accounting policy

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except for investments in subsidiaries.

Investments in subsidiaries are accounted for at cost less, where applicable, any accumulated impairment losses in the parent entity financial statements.

Consolidated entity disclosure statement

Name of entity	Type	% of share Capital	Country of incorporation	Australian tax resident	Foreign jurisdiction of foreign residents
Tlou Energy Limited	Body Corporate	-	Australia	Yes	N/A
Tlou Energy Botswana (Proprietary) Ltd	Body Corporate	100	Botswana	No	Botswana
Technoleads International Inc	Body Corporate	100	Barbados	Yes	N/A
Tlou Energy Exploration (Proprietary) Limited	Body Corporate	100	Botswana	No	Botswana
Sable Energy Holdings (Barbados) Inc	Body Corporate	100	Barbados	Yes	N/A
Tlou Energy Resources (Proprietary) Limited	Body Corporate	100	Botswana	No	Botswana
Copia Resources Inc	Body Corporate	100	Barbados	Yes	N/A
Tlou Energy Corp Services Botswana (Proprietary) Limited	Body Corporate	100	Botswana	No	Botswana
Madra Holdings (Barbados) Inc	Body Corporate	100	Barbados	Yes	N/A
Tlou Energy Solutions (Proprietary) Limited	Body Corporate	100	Botswana	No	Botswana
Pula Holdings Inc	Body Corporate	100	Barbados	Yes	N/A
Tlou Energy Generation Proprietary Limited	Body Corporate	100	Botswana	No	Botswana

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of Tax Residency

Section 295(3B)(a) of the Corporation Acts 2001 defines Australian resident as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295 (3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency:

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency:

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Directors' declaration

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- the information disclosed in the Consolidated Entity Disclosure Statement is true and correct;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- the remuneration report as set out in the directors' report for the year ended 30 June 2026 comply with section 300A of the *Corporations Act 2001*; and

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors



Ian Campbell

Director

Sydney

30 September 2026

INDEPENDENT AUDITOR'S REPORT

To the members of Tlou Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tlou Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value and classification of exploration and evaluation assets

Key audit matter	How the matter was addressed in our audit
Refer to notes 2 and 9 in the financial report. The Group carries exploration and evaluation assets as at 30 June 2026 in relation to the application of the Group's accounting policy for exploration and evaluation assets. The recoverability and classification of exploration and evaluation asset is a key audit matter due to: • The significance of the total balance; and • The level of procedures undertaken to evaluate management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ('AASB 6') in light of any indicators of impairment that may be present.	Our audit procedures included, amongst others: • Obtaining supporting documentation to confirm that the Group has valid rights to explore the areas represented by the capitalised expenditure and that the relevant tenements remained in good standing • Enquiring of management regarding the status of exploration programs and assessing the Group's approved expenditure plans for the relevant areas of interest • Reviewing the current status of the asset to assess whether the classification of the projects as exploration and evaluation assets continues to be valid • Enquiring of management, reviewing ASX announcements and reviewing directors' minutes to identify whether the Group had decided to discontinue activities, or whether other facts and circumstances indicated that impairment testing was required • Evaluating management's judgement in determining the allocation of the impairment across the relevant tenements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 21 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Tlou Energy Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'R J Liddell', is written over the printed name.

R J Liddell

Director

Brisbane, 30 September 2026

Corporate Governance Statement

The Directors (the “Board”) of Tlou Energy Limited (“Tlou Energy” or “the Company”) are committed to the implementation of the highest standards of corporate governance. In determining what these standards should be, the Board references guidance and supports, where appropriate, the 4th edition of the Corporate Governance Principles and Recommendations (“4th Edition Recommendations or ASX Recommendations”) established by the ASX Corporate Governance Council (the “Council”).

The Company complies with the corporate governance regime of Australia, being its country of incorporation. In addition, the Directors acknowledge the importance of the guidelines set out in the QCA Guidelines for Smaller Quoted Companies. They therefore intend to comply with the QCA Guidelines so far as is appropriate having regard to the size and nature of the Company and taking into account that it is an Australian company listed on the ASX which complies with existing ASX Recommendations.

This statement outlines the key aspects of Tlou Energy’s governance framework and practices. The charters, policies and procedures are reviewed regularly and updated to comply with the law and best practice. This statement contains specific information and discloses the extent to which the Company intends to or is able to follow the 4th Edition Recommendations. The charters and policies of the Company can be viewed on Tlou Energy’s website at www.tlouenergy.com (“website”).

The Council’s recommendations are not prescriptive and, if certain recommendations are not appropriate for the Company given its circumstances, it may elect not to adopt that particular practice in limited circumstances. The Company believes that during the reporting period ending 30 June 2026 its practices are taking into account the size and makeup of the Company is largely consistent with those of the 4th Edition Recommendations and where they do not follow a recommendation this statement identifies those that have not been followed and details reasons for non-adherence. Even where there is a deviation from the recommendations the Company continues to review and update its policies and practices in order that it keeps abreast of the growth of the Company, the broadening of its activities, current legislation and good practice.

This Corporate Governance statement reports on the main practices of Tlou Energy and is current as at the 25 September 2026 and has been approved by the Board of Directors.

Role of the Board (Lay solid foundations for management and oversight)

The Board is responsible for ensuring that the Company is managed effectively as well as demonstrating leadership and defining the Company’s strategic objectives. Given the size of the Company and the Board, the Board undertakes an active role in the management of the Company.

The Board’s role and the Company’s Corporate Governance practices are continually being reviewed and updated to reflect the Company’s circumstances and growth. The Board has adopted a Charter which sets out the responsibilities of the Board, its structure and governance, responsibility for approving the Company’s statement of values and ensuring that the code of conduct to underpin the desired culture within the entity, as well as the matters expressly reserved to the Board and those delegated to management. A copy of the Charter is available on the Company’s website.

The Board is responsible for determining the strategic direction and objectives of the Company and overseeing management’s implementation of this strategy and the achievements against these.

(ASX Recommendation 1.1)

The Board of Directors

The Board is currently comprised of five (5) Directors. Details of the Directors who held office during the year under review are namely:

Name of Director	Board Membership	Date of Appointment	Date of Resignation
Ian Campbell	Executive Chairman	13 March 2025	
Gabaake Gabaake	Executive Director	11 March 2015	
Martin Gabobake	Non-Executive Director	21 July 2025	
Colm Cloonan	Finance Director	11 February 2016	29 June 2026
Allan Sullivan	Non-Executive Director	13 March 2025	1 Jan 2026
Martin Mclver	Non-Executive Chairman	16 September 2010	21 July 2025
Hugh Swire	Non-Executive Director	22 June 2017	21 July 2025

The skills, experience and expertise relevant to the position of each Director are set out in the Directors' Report of this Annual Report. Prior to the appointment of a person, or putting forward to shareholders a candidate for election, as a director, the Company undertakes checks which it believes are appropriate to verify a director's character, experience, educations, criminal record and bankruptcy history. The Company will ensure that all material information in its possession relevant to a shareholder's decision to elect or re-elect a director is provided to shareholder in the Company's Notice of Annual General Meeting.

(ASX Recommendation 1.2)

Each executive director and senior executive of Tlou Energy has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities. There are also Letters of Appointment between the Company and all of the non-executive directors. Each of these letters of appointment are with the director personally to ensure that the director or senior executive is personally accountable to the listed entity for any breach of the agreement. These agreements contain provisions that amongst other matters include:

- An obligation on the director to disclose his/her interests and any matters which could affect the director's independence;
- a requirement to comply with key corporate policies, including the entity's code of conduct, its anti-bribery and corruption policy and its trading policy;
- the requirement to notify the Company of, or to seek its approval before accepting, any new role that could impact upon the time commitment expected of the director or give rise to a conflict of interest;
- details of the Company's policy on when directors may seek independent professional advice at the expense of the entity;
- indemnity and insurance arrangements;
- ongoing rights of access to corporate information; and
- ongoing confidentiality obligations

(ASX Recommendation 1.3)

Company Secretary

The Company Secretary is directly accountable to the Board through the Chairman who the Company Secretary has a direct line of reporting to. The Company Secretary is responsible for advising the Chairman and the Board to manage the day to day governance framework of the Company. The responsibilities of the Company Secretary are contained in the Board Charter a copy of which is available on the Company's website. The decision to appoint or remove the Company Secretary must be made or approved by the Board.

(ASX Recommendation 1.4)

Diversity Policy

The Company is committed to creating a fair and inclusive work environment that embraces diversity and recognises its contribution to the Company's commercial success. Where possible it endeavours to recruit staff from within Botswana. As the Company has a relatively small staff at present, the Board does not believe that any benefit would be obtained setting measurable objectives for achieving gender diversity and has not done so. Neither is the Company a 'relevant employer' under the Workplace Gender Equality Act 2012.

A copy of the Company's Diversity Policy can be found on the Company's website.

(ASX Recommendation 1.5)

Improvement in Board processes and effectiveness is a continuing objective, and the purpose of the annual Board evaluation is to identify ways to improve performance and effectiveness of the Board and its committees. The Board has appointed the Chairman, which it believes is the most suitably qualified to carry out the task, as the person responsible for conducting an annual internal review of the Board's performance.

This process involves the Chairman circulating to members of the Board a detailed questionnaire on performance indicators and collating the data from the same before discussing with each member of the Board and reviewing performance indicators such as time engaged on Company business, knowledge of Company business and other skills so as to assess the effectiveness of processes structure and contributions made by individual directors.

The framework that the Company has in place requires the Managing Director or CEO in that position to assesses, annually or as necessary, the performance of all key executives. Both qualitative and quantitative measures will be used consistent with performance targets set annually by the Managing Director in consultation with those executives. The Managing Director and CEO then reports to the Remuneration and Nomination Committee on the key executive's performance and the Remuneration and Nomination Committee will then consider any changes to remuneration and the establishment of new performance targets. Given the current structure of the executive a review by the Managing Director or CEO as contemplated by this clause was not carried out during the year in review.

During the reporting period, a review of the Boards performance was carried out by the Chairman.

(ASX Recommendation 1.6)

The Board assesses annually or as necessary the performance of the Chief Executive Officer/Managing Director benchmarking his performance against the role description in the employment contract and general industry standards expected of a Managing Director carrying on that role. The Board regularly evaluates management's performance against various criteria and requires senior executives to address the Board on execution of strategy and associated issues. The Chief Executive Officer/Managing Director reviews the performance of the senior executives annually. These evaluations consider matters such as the achieving of the Company's objectives and reaching of performance criteria.

An executive management review has been carried out for the current reporting period.

(ASX Recommendation 1.7)

Structure of Board to be Effective and Add Value

The Board comprises three non-executive Directors, including the Chairman, and two executive Directors including the acting Managing Director. The names of the Directors of the Company in office at the date of this report or through the year under review and their qualifications are set out in the section of the Annual Report headed "Directors' Report".

The composition and size of the Board is determined so as to provide the Company with a broad base of industry, business, technical, administrative, financial and corporate skills and experience considered necessary to achieve the strategic objectives of the Company taking into consideration the size of the Company and the nature of its current operations.

The Board has established a Remuneration and Nomination Committee which reviews Board membership. This includes considering what other skills that might be necessary for the Company to reach its strategic objectives. The Committee is at this time effectively constituted by the whole of the Board acting in that capacity. As explained as none

of the directors of the current Board is considered independent, the Company is currently unable to comply with ASX Recommendation 2.1. If and when the makeup of the Board allows it is envisaged that any independent non-executive replacement director appointed will chair that Committee. The Company expects that any future directors appointed who are independent and non-executive will also be appointed to the Committee in line with this Recommendation.

A copy of the Remuneration and Nominations Committee Charter is located on the Company's website.

The current Committee's members, and the number of times that they have met throughout the reporting period and the member's attendance at those meetings is recorded in the section of the 2026 Annual Report headed "Directors' Report". (ASX Recommendation 2.1)

Independence

The Board considers that, fundamentally, the independence of Directors is based on their capacity to put the best interests of the Company and its shareholders ahead of all other interests, so that Directors are capable of exercising objective independent judgment.

When evaluating candidates, the Board has regard to the potential for conflicts of interest, whether actual or perceived, and the extent or materiality of these in the ongoing assessment of director independence. In this regard the Board has regard to the definition of "*independence*" in the 4th Edition Recommendations. The Board is of the view that the existence of one or more of the relationships in the definition will necessarily result in the relevant Director not being able to be treated as independent, particularly given the criteria outlined above, and in those cases the Company will seek to implement additional safeguards to ensure independence. An overall review of these considerations is conducted by the Board to determine whether individual Directors are independent.

Additional policies and practices, such as Directors not being present during discussions or decision making on matters in which they have or could be seen to potentially have a material conflict of interest, as well as Directors being excluded from taking part in the appointment of third party service providers where the Director has an interest, provide further separation and safeguards to independence. The Board has adopted materiality thresholds in relation to independence, which are contained in the Board Charter and summarised below.

ASX Recommendation 2.4 requires that a majority of the Board to be independent Directors. Additionally, ASX Recommendation 2.5 requires the Chairman of the Company to be independent. The Council defines 'independence' as being a non-executive director who is not a member of management and who is free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of their judgment. Based on this definition, three of the Directors could not be considered independent by virtue of them being either executives, substantial shareholders of the Company or Directors or Officers of Companies that are substantial shareholders of the Company.

The Company is currently unable to follow ASX Recommendations 2.4 and 2.5 in full because the Board is not comprised of a majority of independent Directors and the Chairman is not considered independent. The Board considers that, given the Company's current size, stage of development and operations, the present Board composition provides the skills and experience required to oversee the Company effectively. The Board where it is available to do so manages potential conflicts through disclosure obligations, exclusion from relevant discussions and decisions, and other safeguards described in this statement.

The Board remains committed to monitoring its composition as the Company's operations and circumstances evolve and will consider appointing additional appropriately qualified independent Directors when suitable candidates are identified and the Board considers that such appointments are in the best interests of shareholders.

(ASX Recommendation 2.4 and 2.5)

If a Board vacancy becomes available it will be the responsibility of the Remuneration and Nomination Committee to identify the skills, experience and diversity that will best complement the Board and will then embark on a process to identify a candidate who can best meet those criteria. A skills matrix has been developed and adopted by the Board to help assess the relevant criteria of candidates. The Directors believe the skill base of the current Directors is appropriate for the Company given its size and stage of development.

The professional skills and experience set out below are used by the Board to assess the skills represented on the Board and to identify any skills that may be desirable when considering future Board appointments.

Board Skills Matrix

- Accounting & Audit.
- ASX Board Membership Experience.
- Business Management.
- Strategic Planning.
- Subsurface Knowledge.
- Drilling & Completions Construction & Project Mgmt.
- Human Resources.
- Operational Experience and HSE
- Corporate Governance & Ethics.
- Government & Gov Relations (Botswana).
- Legal Public Affairs & Communications.
- Management Systems & Risk Management
- Merger & Acquisitions & Corporate.
- External Shareholder Engagement Political Acumen.
- Industry Stakeholder Engagement.
- Social Licence to Operate.
- Foreign Country Operating Experience

(ASX Recommendation 2.2)

Given the size and nature of the Company, the Board does not maintain a formal standardised induction or professional development program. The Board considers that a tailored approach is more appropriate to the Company's current circumstances.

New Directors receive a personalised induction based on their skills, experience and role. This may include meetings with senior management and access to relevant Company materials, including key policies, procedures, charters and governance documents.

All Directors are expected to maintain the skills required to effectively discharge their obligations and are encouraged to undertake continuing professional education such as industry seminars and approved education courses.

(ASX Recommendation 2.6)

Board Charter

The Board operates in accordance with the principles set out in its Board Charter, which is reviewed periodically. The Company has also adopted a written Code of Conduct that sets standards for lawful, ethical and responsible conduct by Directors, senior executives and employees. The Board Charter is available on the Company's website.

Conflicts of Interest

In accordance with the Corporations Act 2001 and the Company's Constitution, Directors must keep the Board informed of any interest that may give rise to an actual, potential or perceived conflict with the interests of the Company. Where the Board considers that a conflict is material, the affected Director is excluded from the relevant Board papers, discussions and decisions and does not vote on the matter.

Independence of Professional Advice

The Board has determined that individual Directors have the right to seek independent professional advice in connection with any of their duties and obligations as Directors of the Company. Before a Director may obtain that advice at the Company's expense, the Director must obtain the approval of the Chairman who will not unreasonably withhold that consent. If appropriate any advice received will be made available to the full Board. No member of the Board availed him or herself of this entitlement during the year under review.

Committees

Audit Committee, Risk Committee and Remuneration & Nomination Committee

The Board delegates specific responsibilities to various Board Sub-Committees. The Board has established the following standing committees:

- An Audit Committee, which is responsible for overseeing the external and internal auditing functions of the Company's activities;
- A Risk Committee, which comprises representatives of the Board and staff to advise and assist the Board in assessing risk factors associated with the operation of the Company; and
- A Remuneration & Nomination Committee, which is responsible for making recommendations to the Board on recruitment and remuneration packages for executives.

For the year ending 30 June 2026, the Board delegated responsibility for overseeing the Company's audit obligations to the Audit Committee. The Audit Committee is currently comprised of the following members:

- Martin Gabobake – Committee Chair
- Dr Ian Campbell – Committee Member
- Gabaake Gabaake – Committee Member

It is acknowledged that the current makeup of the Audit Committee does not comply with the ASX Recommendation but the Company is not currently in a position to do so. The position will be reviewed if and when any further appointments to the Board are made.

Instil a Culture of Acting Lawfully, Ethically and Responsibly

The Board is committed to instilling and reinforcing a culture of acting lawfully, ethically and responsibly. The CEO/Managing Director (with the Chair temporarily acting in that role) is responsible for promoting high standards of conduct across the Company. The Board has adopted a Code of Conduct that addresses the standards of behaviour expected of Directors, senior executives and employees, including compliance with legal obligations, responsible dealings with stakeholders, reporting of unethical conduct and accountability for breaches.

The Code of Conduct applies to Directors, senior executives and employees. Material breaches of the Code are reported to the Board, which determines what action is required having regard to the nature and seriousness of the breach.

(ASX Recommendation 3.1)

The Code of Conduct for Director and Senior Executives forms part of this Corporate Code of Conduct. It provides as follows: -

All Directors and Senior Executives will: -

1. Actively promote the highest standards of ethics and integrity in carrying out their duties for the Company;
2. Disclose any actual or perceived conflicts of interest of a direct or indirect nature of which they become aware and which they believe could compromise in any way the reputation or performance of the Company;

3. Respect confidentiality of all information of a confidential nature which is acquired in the course of the Company's business and not disclose or make improper use of such confidential information to any person unless specific authorisation is given for disclosure or disclosure is legally mandated;
4. Deal with the Company's suppliers, contractors, competitors and each other with the highest level of honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which the Company operates;
5. Report any breach of this code of conduct or other inappropriate or unethical conduct to the appropriate authority within the Group; and
6. This Code of Conduct is in addition to the Code of Conduct for all employees which has been adopted by the Board of the Company.

The Company is committed to increasing shareholder value and aims to ensure its shareholders are fully informed as to the true financial position and performance of the Group through timely and accurate disclosure of information and risk management practices and exemplary compliance with the continuous disclosure regime. A copy of the Code of Conduct is available at the Company's website.

(ASX Recommendation 3.1 and 3.2)

The Company has adopted a Securities Trading Policy that applies to all Directors, senior management, officers, employees and consultants of the Company. The purpose of the policy is to explain the law on insider trading, set restrictions on dealing in the Company's securities by persons associated with the Company and support market confidence in the integrity of dealings in Tlou Energy securities. The policy is available on the Company's website.

Persons covered by the Securities Trading Policy must not deal in the Company's securities without first obtaining the required written clearance. In seeking clearance, they must confirm that they are not in possession of unpublished price-sensitive information. The Company Secretary maintains a register of trading notifications and clearances. The policy is reviewed periodically to ensure that it remains aligned with the ASX Listing Rules and other applicable regulatory requirements.

The Company has adopted a Whistleblower Policy and an Anti-Bribery and Corruption Policy, copies of which are available on the Company's website. Material incidents reported under these policies are referred to the Board for consideration and, where appropriate, action.

(ASX Recommendations 3.3 and 3.4)

Safeguard the Integrity of Corporate Reports

In accordance with ASX Recommendation 4.1 the Board has had established for all of the financial year under review an Audit Committee with a Charter that sets out the roles, responsibilities, composition, structure and membership requirements.

Structure of the Audit Committee and Charter

ASX Recommendation 4.1 states that the audit committee should have at least 3 members consisting only of non-executive directors, a majority of which should be independent with the Chair of the Committee being one of the independent directors who is not the chair of the Company.

During the reporting period, the Audit Committee did not fully comply with ASX Recommendation 4.1 because it did not consist solely of non-executive Directors and did not have a majority of independent Directors. The Board considers the Committee's current composition appropriate for the Company's size and circumstances and considers that its members collectively have the financial, commercial and operational experience required to discharge the Committee's responsibilities effectively.

Martin Gabobake as Chair of the Audit Committee is a non-executive Director but is not considered independent due to his relationship with a substantial shareholder. Ian Campbell while a non-executive is not considered independent due to his relationship with the Company's majority shareholder.

Each member of the Audit Committee has an appropriate knowledge of the Company's affairs and has the financial and business expertise to effectively discharge the duties of the Committee. The members of the Audit Committee by virtue of their professional background experience and personal qualities are well qualified to carry out the functions of the Audit Committee.

The members of the Committee have direct access to any employee, the auditors and financial and legal advisers without management present. The Committee meets as often as is required but no less than twice a year.

The Committee Chair is obliged to report any significant issues arising from the Committee Meetings at the next meeting of the Board and a copy of the minutes of the Audit Committee meetings are provided to the Board.

The Directors' report contained in the Company's annual report to shareholders is to contain a dedicated section that describes the role of the Audit Committee and what action it has taken.

The role of the Audit Committee is to: -

- (a) monitor the integrity of the financial statements of the Company, by reviewing significant financial reporting judgements;
- (b) review the effectiveness of the Company's internal financial control system and, unless expressly addressed by a separate Risk Committee or by the Board itself, risk management systems;
- (c) monitor and review the effectiveness of the Company's internal audit function;
- (d) monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services;
- (e) perform such other functions as assigned by law, the Company's constitution, or the Board;
- (f) approve the corporate governance section of the Company's Annual Report relating to the Committee and its responsibilities; *and*
- (g) review compliance with legal and regulatory requirements.

The Audit Committee keeps minutes of its meetings and includes them for review at the following Board Meeting. The Audit Committee members' attendance at meetings as compared to total meetings held is set out in the Directors' Report contained in the Annual Report.

As a matter of practice, the Chief Executive Officer/Managing Director and the Chief Financial Officer or the persons acting in the capacity of each role, provide the Board with declarations in accordance with section 295A of the Corporations Act 2001 that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial position and performance and comply with relevant accounting standards. Those declarations are supported by assurances that they are founded on a sound system of risk management and internal control that is operating effectively in all material respects.

(ASX Recommendation 4.2)

The external auditors attend the committee meetings at least twice a year and on other occasions where circumstances warrant as well as being available at the Company's AGM to answer shareholders questions about the conduct of the audit and the preparation and content of the audit report.

The periodic finance-based reports released by the Company include the full-year and half-year financial reports and quarterly Appendix 5B reports. The full-year financial report is audited and the half-year financial report is reviewed by the Company's independent external auditor. Quarterly Appendix 5B reports are prepared internally using the same accounting records and principles that underpin the audited and reviewed financial reports and are reviewed by the Board before release.

Additionally, the Quarterly reports are circulated to the Board as a whole before their release at which time the Board as a whole are invited to comment or raise any questions in respect to the same. These reports are released with the authority of the Board.

(ASX Recommendation 4.3)

Make Timely and Balanced Disclosure

The Company appreciates the considerable importance of communications with Shareholders and the market as a whole. The Company's communication strategy requires communication with shareholders and investors in an open regular and timely manner so that the shareholders and investors have sufficient information to make informed investment decisions on the operations and results of the Company.

The strategy provides for the use of systems that ensure regular and timely release of information about the Company to shareholders.

Methods of communication currently employed include:

- Shareholder Updates
- ASX Announcements
- Quarterly Reports
- Half Yearly Reports
- Annual Reports; and
- Shareholder presentations

Continuous Disclosure

The Company is a "disclosing entity" under the Corporations Act 2001 and complies with the continuous disclosure requirements in Chapter 3 of the ASX Listing Rules and section 674 of the Corporations Act. Subject to applicable exceptions, the Company is required to disclose to the ASX, and where applicable the BSE, any information concerning the Company that is not generally available and that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Company has adopted a Continuous Disclosure Policy consistent with ASX Recommendation 5.1 and ASX Guidance Note 8. The policy is available on the Company's website. Directors, employees and consultants are made aware of the policy and the importance of complying with the Company's continuous disclosure obligations.

The Company Secretary has primary responsibility for coordinating the Company's continuous disclosure obligations to the ASX. Officers and employees must promptly notify the Company Secretary of any information that may require disclosure under Listing Rules 3.1 to 3.1B. Where uncertainty arises, the Company Secretary may seek external legal or professional advice.

Under the Company's policy the Board receives a copy of all material market announcement immediately after they have been made if not beforehand.

(ASX Recommendation 5.2)

The Officers of the Company are committed to:

- Encouraging prompt disclosure of any material information which may need to be disclosed under Listing Rule 3.1-3.1B; and
- Promoting an understanding of the importance of the continuous disclosure regime throughout the Company.

The Company uses its website as a key communication channel for annual reports, market announcements and other public disclosures. External communications that may have a material effect on the price or value of the Company's securities are not released unless they have first been announced to the ASX and, where applicable, the BSE.

Effective participation by Shareholders is encouraged at general meetings and procedures have been designed to facilitate this including online proxy voting and the ability of stakeholders to subscribe to receive copies of announcements and reports that are released by the Company.

The Policy is also designed to ensure that equality of information among investors is maintained and applies regardless of whether the presentation contains material new information required to be disclosed under listing rule 3.1 through ensuring that copies of all substantive presentations are released to the Market on the ASX Platform.

(ASX Recommendations 5.1 and 5.3)

Respect the Rights of Security Holders

The Company keeps shareholders and other interested parties informed of performance and major developments through communications on its website. This includes details of the Company's governance framework and copies of key corporate governance policies and charters. (ASX Recommendation 6.1)

The Company has a Shareholder Communications and Engagement Policy that outlines the processes followed to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure. This is one of the policies available on the Governance page of the Company's website.

(ASX Recommendation 6.2)

The policy regarding shareholder communication and engagement sets out the processes the Company has in place to facilitate and encourage the participation of shareholders and other investors at meetings and to engage with management. These include encouraging shareholders to attend the AGM and allowing them to lodge a proxy vote online if they are unable to attend the meeting.

(ASX Recommendation 6.3)

The Company considers that communicating with shareholders by electronic means is an efficient way to distribute information in a timely and convenient manner. Therefore, its website contains a function to allow interested parties to subscribe to receive electronic notification of public releases and other relevant material concerning the Company and its activities. Where appropriate and considered by the Board to be substantive, material or contentious, Resolutions at the Company's general meeting will be conducted by Poll rather than a show of hands. The Board considers that it is not necessary, or the cost justified to conduct all resolutions in this manner.

(ASX Recommendations 6.4 and 6.5)

Recognise and Manage Risk

The Board is responsible for the oversight of the Company's risk management. The responsibility and control of risk management is overseen by the Managing Director, with matters delegated to the appropriate level of management within the Company with the Managing Director being responsible for assuring the systems are maintained and complied with.

The Company has established a Risk Committee that is focused on ensuring that the Company maintains an effective system of internal control and risk management. The Committee's structure, roles and responsibilities are detailed in the Risk Committee Charter.

Flowing from this, the Company has adopted a Risk Management Policy that governs the Company's approach to managing financial and non-financial risks.

The members of the Risk Committee are appointed by the Board, two of which are to be Board Members. Company personnel are required to attend Risk Committee meetings as and when requested.

Specific functions of the Risk Committee are to: -

- (a) review and oversee the Company's risk profiles as developed and reported by management;
- (b) identify material business risks and monitor emerging risks and changes in the Company's risk profile;
- (c) monitor and review the risk management performance of the Company, including conducting specific investigations where deemed necessary;
- (d) review any legal matters which could significantly impact the Company's risk management and internal control systems, and any significant compliance and reporting issues, including any recent internal regulatory compliance reviews and reports;
- (e) review the effectiveness of the compliance function at least annually, including the system for monitoring compliance with laws and regulations and the results of management's investigations and follow-ups (including disciplinary action) of any fraudulent acts or non-compliance;
- (f) be satisfied that all regulatory compliance matters have been considered in the preparation of the Company's official documents;
- (g) review the findings of any examinations by regulatory agencies and oversee all liaison activities with regulators;
- (h) review and discuss media releases, ASX announcements and any other information provided to analysts;
- (i) review corporate legal reports of evidence of a material violation of the Corporations Act, the ASX Listing Rules or breaches of fiduciary duties;
- (j) review the Company's insurance strategy, including the coverage and limits of the insurance policies, in order to, if thought fit, recommend to the Board for approval; and
- (k) promote an awareness of a risk based culture in the balance of pursuit of business objectives whilst managing risks.

(ASX Recommendation 7.1)

The Risk Committee meets whenever necessary, but no less than once a year, and keeps minutes of its meetings which are included for review at the following Board Meeting.

The Company has a qualified Compliance and Risk Manager who has been engaged to oversee the design and implementation of the risk control programme. The Company's Risk Management Policy requires the Board, being guided by the Risk Committee to at least annually undertake a risk review to determine if the existing risk framework is satisfactory considering the material risks faced by the Company.

The Board with the assistance of the Risk Committee has completed a review of the Company's risk management framework during the year under review and determined that the risk management framework that was in place was satisfactory for the present needs of the Company and that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the board.

(ASX Recommendation 7.2)

The Company does not have a formal internal audit function. However, it has adopted a number of internal controls such as identifying key risks in a Risk Register and managing activities within a budget and operational plan. Management led by the Chief Financial Officer periodically undertakes an internal review of financial systems and processes and where systems are considered to require improvement these systems are developed. Delegations of Authority are reviewed annually by the Audit Committee.

The ongoing mitigation and management of financial and operational risks are standing agenda items of the Audit and Risk Committees. The Chief Executive Officer or Executive Chairman and the Chair of the Audit Committee are responsible for reporting to the Board on a regular basis in relation to whether the Company's material business risks are being managed effectively by the existing management and internal controls systems.

(ASX Recommendation 7.3)

The Company undertakes gas exploration activities and as such faces inherent risks to its business, including economic, environmental and social sustainability risks which may materially impact the Company's ability to create or preserve value for shareholders over the short, medium or long term. The Board is regularly briefed by management as well as keeping itself abreast of possible material exposure to risks that the Company may face. The Company considers that its activities are focused in Botswana on the generation of energy, which in turn will help drive economic growth in the low carbon economy through displacement of carbon intensive coal and diesel with power generation using gas and solar having an enormous potential role to play as the country develops.

Of core importance to the Company is safety, which it considers a priority not only in respect to its employees and contractors but also to the community and environment in which it operates. The Company believes that if these matters are priorities, then they will act as drivers for value to shareholders. The Company has in place policies and procedures, including a risk management framework, to help manage these risks.

(ASX Recommendation 7.4)

Remunerate Fairly and Responsibly

The Board has established a Remuneration & Nomination Committee. There is no separate Remuneration Committee.

Given the size of the Board, the Directors have previously determined that the non-executive Directors would execute the functions of a Remuneration & Nomination Committee and have adopted a Remuneration and Nomination Charter. With the current smaller board size, the Board has agreed that the function of the Remuneration & Nomination Committee will be constituted by the board as a whole until further board members are appointed and the committee can be constituted where possible by a majority of independent non-executive directors.

The Board does not believe that any advantage would be achieved at this juncture taking into account the size of the Company and the Board to have a separately constituted Remuneration Committee to carry out this function.

The members of the Board acting in their capacity as a Committee is tasked with ensuring that the Company has remuneration policies and practices which enable it to attract and retain Directors and executives who will best contribute towards achieving positive outcomes for Shareholders.

The Company complies with the guidelines for executive remuneration packages and non-executive Director Remuneration as recommended in the ASX Recommendations.

The ASX Listing Rules and the Constitution require that the maximum aggregate amount of remuneration to be allocated among the non-executive Directors be approved by the shareholders in a general meeting. In proposing the maximum amount of consideration by shareholders, and in determining the allocation, the Remuneration Committee will take into account the time demands made on Directors and such factors as fees paid to non-executive Directors in comparable Australian companies. A meeting of shareholders held 10 July 2012 saw a resolution passed approving a pool of no more than \$500,000 for this purpose.

The names of the members of the Remuneration & Nomination Committee and their attendances at the meetings of the Committee (if held) are set out in the Directors' Report which forms a part of the Company's Annual Report. The remuneration paid to Directors and senior executives is shown in the Remuneration Report contained in the Directors' Report, which includes details on the Company's remuneration policies. There are no termination and retirement benefits for non-executive Directors other than statutory superannuation entitlements.

(ASX Recommendation 8.1)

The Company's policies and practices regarding the remuneration of non-executive Directors, executive Directors and senior executives is set out in the Remuneration & Nominations Committee Charter and in the Remuneration Report contained in the 2026 Annual Report.

A copy of the Remuneration & Nomination Committee Charter is available on the Company's website.

(ASX Recommendation 8.2)

Approved by the Board

25 September 2026

Additional Information

1. Shareholder Information

The shareholder information set out below was applicable at 17 September 2026 and relates to shares held on the ASX and BSE.

2. Ordinary Share Capital

1,298,584,319 fully paid ordinary shares.

3. Number of Equity Holders

Ordinary Share Capital held by 686 shareholders.

4. Voting Rights

In accordance with the Company's Constitution, for a show of hands, every shareholder present in person or by a proxy, attorney or representative of a shareholder has one vote and for a poll, every shareholder present in person or by a proxy, attorney or representative has in respect of fully paid shares, one vote for every share held. No class of option holder or performance rights holder has a right to vote, however the shares issued upon exercise of options or performance rights will rank pari passu with the then existing issued fully paid ordinary shares.

5. Distribution of Shareholdings

Holdings	No. of Holders	Units	% of Issued Ordinary Capital
1 - 1,000	47	9,269	0.0%
1,001 - 5,000	48	138,251	0.0%
5,001 - 10,000	62	497,808	0.0%
10,001 - 50,000	160	4,026,773	0.3%
50,001 - 100,000	84	6,458,807	0.5%
100,001 - maximum	285	1,287,453,411	99.1%
	686	1,298,584,319	100%

6. Substantial Shareholders

The following information is extracted from the Company's Register of Substantial Shareholders:

	Ordinary Fully Paid Shares Held	% of Issued Ordinary Capital
ILC Investments Pty Ltd	357,142,856	27.5%
BPOPF Group	208,521,092	16.06%
Investor Group – Anthony Gilby	75,000,000	5.78%

7. The 20 Registered Holders of Ordinary Shares

	Ordinary Fully Paid Shares Held	% of Issued Ordinary Capital
ILC INVESTMENTS PTY LTD	357,142,856	27.50%
STNB RE BOTSWANA PUBLIC OFFICERS PENSION FUND	172,253,169	13.26%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	147,370,874	11.35%
BNP PARIBAS NOMINEES PTY LTD	70,263,935	5.41%
BNP PARIBAS NOMS PTY LTD	58,664,877	4.52%
GILBY SUPER PTY LTD	41,200,430	3.17%
BPOPF MORULA ACT MEM DEP EQ	36,267,923	2.79%
CITICORP NOMINEES PTY LIMITED	33,713,670	2.60%
BNP PARIBAS NOMINEES PTY LTD	30,579,705	2.35%
DR K A LOVRIC	26,623,377	2.05%
GILBY SUPER PTY LTD	15,299,570	1.18%
MITCHELL FAMILY INVESTMENTS (QLD) PTY LTD	14,050,014	1.08%
WINS ASSET MANAGEMENT PTY LTD	9,000,000	0.69%
SIZZLE INVESTMENTS PTY LTD	8,839,840	0.68%
GILBY RESOURCES PTY LTD	8,724,895	0.67%
KAANELL PTY LTD	7,500,000	0.58%
MR J J WILSON	7,142,857	0.55%
MR C J BLAMEY & MRS A M BLAMEY	6,600,807	0.51%
LIATH PTY LTD	6,000,000	0.46%
MR S L FITZPATRICK	5,272,800	0.41%
Total	1,062,511,599	81.82%
Balance of register	236,072,720	18.18%
Grand total	1,298,584,319	100%

8. Restricted Securities

There are no restricted securities at the date of this report.

9. Interests in Prospecting Licences (PL) and Mining Licence (ML)

As at the date of this Report, Tlou Energy Limited had an interest in or is awaiting renewal of the following licences:

Licence	Region	interest % *	Operator
PL 1/2004	Lesedi Project (Botswana)	100%	Tlou Energy Botswana Pty Ltd
PL 3/2004	Lesedi Project (Botswana)	100%	Tlou Energy Botswana Pty Ltd
PL 35/2000	Lesedi Project (Botswana)	100%	Tlou Energy Botswana Pty Ltd
PL 37/2000	Lesedi Project (Botswana)	100%	Tlou Energy Botswana Pty Ltd
PL 237/2014	Mamba Project (Botswana)	100%	Tlou Energy Botswana Pty Ltd
PL 238/2014	Mamba Project (Botswana)	100%	Tlou Energy Botswana Pty Ltd
PL 239/2014	Mamba Project (Botswana)	100%	Tlou Energy Botswana Pty Ltd
PL 240/2014	Mamba Project (Botswana)	100%	Tlou Energy Botswana Pty Ltd
PL 241/2014	Mamba Project (Botswana)	100%	Tlou Energy Botswana Pty Ltd
PL 011/2019	Boomslang Project (Botswana)	100%	Tlou Energy Botswana Pty Ltd
ML 2017/18L	Lesedi Project (Botswana)	100%	Tlou Energy Botswana Pty Ltd

* The interest shown in each of the licences represents the percentage that Tlou Energy Limited holds in the corporate holder of the licence.